

Mandated Programs and Debt Service Survey



Kentucky Council on Postsecondary Education

FINAL REPORT

submitted by:



502 East 11th Street, Suite 300
Austin, Texas 78701
(512) 476-4697
www.mgtamer.com

October 15, 2001



Texas ? Florida ? South Carolina ? California ? Washington

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APPENDIX A

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

In 1998-99, the Kentucky Council on Postsecondary Education established a benchmark funding process to replace the old funding formula for use in developing the Council's 2000-02 operating budget recommendations. The goal of this new approach is to provide a per student level of state support to each Kentucky institution that is comparable to that received by a set of out-of-state peer or "benchmark" institutions. A final listing of the benchmark institutions for each Kentucky institution, to be used for the 2000-02 biennium, was adopted in the summer of 2001.

As in any new funding model, the initial implementation revealed the need for various refinements to be undertaken prior to the next biennium (2002-04). Among these refinements, the Council, universities, and community and technical college system presidents agreed that state funded mandated research and public service programs as well as state funded debt service should be excluded from the benchmark funding process. It was subsequently determined that a survey of both Kentucky institutions and their benchmark institutions should be conducted to identify specifically the state general fund amounts reported for these activities through the IPEDS finance survey, which serves as the basis for the benchmark funding approach. Institutions had to be surveyed because the current IPEDS finance survey, while extremely useful for inter-institutional comparisons, does not collect data at a sufficient level of detail to permit this refined level of analysis. In July 2001 the Council contracted with MGT of America, Inc. to conduct the survey and develop recommendations for inclusion of the results in the benchmark funding model.

To reach the study objectives set forth by the Council, the methodology for the project encompassed four major activities:

- Design of a Survey Of Mandated Programs and General Fund Debt Service
- Conduct of a Survey Of Mandated Programs and General Fund Debt Service
- Analysis of Survey Results
- Development of Recommendations.

MGT worked closely with Council staff to develop the survey instrument and refine definitions of mandated programs and debt service. MGT distributed the survey, analyzed the results, and provided recommendations for inclusion of the results into the benchmark model. In addition, the Council staff and representatives of each institution provided significant advice during the design of the survey. Special thanks are extended to the college, university and Council staff for their assistance during the project.

Development of the Survey and Survey Results

A survey of both Kentucky institutions and their benchmark institutions was conducted to identify specifically the state general fund amounts reported for mandated research and public service activities and debt service through the IPEDS finance survey, which serves as the basis for the benchmark funding approach. Institutions had to be surveyed because the current IPEDS finance survey, while extremely useful for inter-institutional comparisons, does not collect data at a sufficient level of detail to permit this refined level of analysis.

For the purposes of the survey, definitions of mandated research and public service activities and debt service were developed. In these discussions, full-time equivalent students are calculated as the sum of the full-time headcount students plus one-third the part-time students. **Research** includes funds to be expended for activities specifically organized to produce non-instructional research outcomes, including Agricultural and Engineering Experiment Stations. **Public Service** includes funds to be expended to provide non-instructional services beneficial to groups external to the institution. **"Mandated research or public service activities"** are defined as those that must have an external legal mandate, either through statute, resolution, or executive order (e.g., state law requiring maintenance of an arboretum on campus) and receive appropriations greater than \$25 per FTE student.

Also, the activities should meet most of the following criteria:

- the activity is not integral to the "instructional" mission of the institution;
- the activity is relatively unique among institutions in the state (e.g., cooperative extension service or agriculture experiment station);
- the activity is "program-funded" or has a specific line item appropriation for carrying out its purposes (e.g., State Institute for Research on Exceptional Children);
- the activity could be operated by an agency other than a state college or university (e.g., running the state's Natural History Museum);
- the activity is funded primarily with state general funds appropriations (do not include activities that are funded primarily by other sources of revenue such as state contracts or grants).

For this study, **debt service** is defined as state general funds appropriated directly to the institution for servicing principal and interest on debt issued for land, equipment, or buildings.

A survey that collected data both on mandated programs and debt service was sent to the institutions identified as benchmarks for the Kentucky colleges and universities. A total of 361 benchmark institutions received surveys, and data were obtained for 360 or 99.7 percent. Of the 106 benchmark universities, 21 institutions (19 are benchmarks for either the University of Kentucky or University of Louisville) reported receiving state appropriations for mandated research activities. All of these institutions

had at least one research activity that met the materiality criterion of \$25 per full-time equivalent student. Similarly, 16 institutions (13 UK or UL benchmarks) reported state appropriations for mandated public service activities. The majority of these activities were associated with the land grant or medical missions of the universities, and are displayed in Exhibit 1. In addition, six benchmark universities and the Iowa, Minnesota, and Virginia two-year institutions reported state appropriations for debt service within the operating budget. It should be noted that the list of programs includes all that were reported, including those that did not meet the materiality criterion for mandated programs.

EXHIBIT 1
LISTING OF MANDATED PROGRAMS AND STATE-FUNDED DEBT SERVICE
ALL BENCHMARK INSTITUTIONS

RESEARCH PROGRAMS	PUBLIC SERVICE PROGRAMS	INSTITUTIONS WITH STATE and LOCAL APPROPRIATIONS FOR OPERATING BUDGET DEBT SERVICE
Agriculture Experiment Station Engineering Experiment Station Veterinary Medicine Experiment Station Veterinary Medicine Agriculture Research Experimental Farm Agricultural Research Research Administration Center on Aging/Gerontology Institute Biotechnology Transfer Prostate Cancer Research Diabetes Research Industrial and Economic Development Fishery Resource Forestry Research Center for Governmental Studies Marine Institute Youth Gang prevention Center on Urban Development Labor Center Massey Center Psychiatric Lab Molecular Medicine Manufacturing Research Chemical Toxicology Research Challenge Phosphate Research Sea Grant Institute of Mental Health Gaston Institute Trotter Institute Joiner Center	Cooperative Extension Service Marine Extension Service Arboretum Business and Manufacturing Extension Death Investigation State Laboratory of Hygiene Foundation for the Humanities Area Health Education Center (AHEC) Medical Aid Minority Business Enterprises Veterinary Laboratories Autism Program Environmental Center Executive Institute Gang Prevention Project Jobs Challenge Kidney Program State Health Laboratory Psychiatric Public Service College Day Asian American Institute Family and Community Violence McCormack Institute Institute for Women in Politics Workforce Training	Prairie State College (IL) Purdue University – Main Campus (IN) Iowa Community College System (local appropriations only) Wichita State University (KS) Minnesota Community College System SUNY - Brockport West Chester University (PA) University of Texas Austin Mountain Empire College (VA) Northern Virginia Community College University of Wisconsin – Madison

The University of Kentucky reported state appropriations for mandated research programs; University of Kentucky, University of Louisville, Morehead State University, Murray State University, and Northern Kentucky University reported mandated public service programs. Each Kentucky university, Lexington Community College, and the community and technical college system all reported state appropriations to the operating budget for debt service. Exhibit 2 displays the average per FTE student amounts appropriated to the Kentucky universities and colleges for mandated activities that met the materiality criterion; and for debt service in FY 1998-99.

EXHIBIT 2
FY 1998-1999 APPROPRIATIONS PER FULL-TIME EQUIVALENT STUDENT
FOR MANDATED PROGRAMS AND DEBT SERVICE,
KENTUCKY INSTITUTIONS AND THEIR BENCHMARKS

	FTEs	State Apps. & Tuition per FTE	Research Apps. Per FTEs	Public Service per FTE	Debt Service Approp. Per FTE
Average, UK Benchmarks	32,675	16,619	514	423	97
U of Kentucky	20,555	18,412	1,110	1,758	584
Average, UL Benchmarks	18,111	16,294	157	61	0
U of Louisville	15,242	14,962	0	1,071	745
Average, ECU Benchmarks	11,166	10,262	0	0	12
Eastern Kentucky University	12,456	7,869	0	0	426
Average, KSU Benchmarks	3,964	10,431	0	23	0
Kentucky State University	1,855	14,467	0	0	1,199
Average, Morehead Benchmarks	6,719	9,633	0	0	70
Morehead State University	6,746	8,882	0	0	316
Average, Murray Benchmarks	8,631	10,511	0	25	0
Murray State University	7,503	9,699	0	301	452
Average, NKU Benchmarks	10,351	10,156	8	3	17
Northern Kentucky University	9,164	7,692	0	0	552
Average, WKU Benchmarks	11,166	10,262	0	0	12
Western Kentucky University	12,049	7,813	0	0	325
Average, LCC Benchmarks	3,649	6,464	0	0	69
Lexington Community College	4,548	3,679	0	0	152
Average, CTCS Benchmarks	52,338	7,190	0	14	14
Community and Technical Colleges	31,480	6,680	0	0	337

Recommendations

The overarching goal of the benchmark process is to establish a per student level of support for each Kentucky institution that is comparable to that received by a set of out-of-state peer or “benchmark” institutions. Implicit in the comparison of Kentucky institutions to their benchmark institutions is the understanding that the institutions are funded to carry out the same or similar missions through similar activities. Activities that are defined by the National Association of College and University Business Officers (NACUBO) as being conducted for constituencies other than students logically would be excluded from comparisons of “per student” funding.

However, initial implementation of the benchmark process revealed that there are certain revenues received by both the Kentucky and the benchmark institutions that are unique, or not received by all institutions within the benchmark group. For example, some institutions receive appropriations for servicing debt, while other institutions have all buildings constructed and paid for by another state agency. Some institutions that are in the University of Kentucky’s benchmark group do not have agriculture experiment stations.

Therefore, to compare funding per student, it is essential that “apples get compared to apples” and “oranges get compared to oranges.” The overarching recommendations that follow are designed to enhance comparability between the benchmark and Kentucky institutions.

RECOMMENDATION 1:

State appropriations for unique mandated research and public service programs and state and local appropriations for debt service in the operating budget should be excluded from the benchmark funding calculation.

To compare “apples to apples,” all the non-apples must be removed from the basket. Each state funding system is unique in some way, and it is difficult to consider all the nuances that public policy makers include in appropriations. To ensure the best possible comparisons between institutions, those items that are unique should be removed.

RECOMMENDATION 2:

All state appropriations for Agriculture Experiment Stations, Engineering Experiment Stations, and Cooperative Extension Services should be excluded from the benchmark funding calculation.

Not all the institutions in either the University of Kentucky’s or the University of Louisville’s benchmark comparison group have experiment stations or cooperative extension services. To improve the comparability of per student funding, then it is logical to remove these revenues from the comparison.

RECOMMENDATION 3:

State and local appropriations for continuing education programs should not be excluded from the benchmark funding calculation.

This recommendation is made because many of the benchmark institutions include state appropriations for continuing education programs in either the Instruction program area, or in Auxiliary Enterprises. Other institutions include those resources in the Public Service program. If funds are excluded in only some of the cases, then the treatment would be inconsistent.

RECOMMENDATION 4:

Only state appropriations for mandated research and public service programs that meet the materiality criterion should be excluded from the benchmark calculations for four-year institutions, and state and local appropriations for the two-year institutions.

Some of the responding institutions, and some of the Kentucky institutions, included all state appropriations for mandated research and public service activities, whether or not the revenues for those activities were at least \$25 per student. Other institutions followed the instructions. To be consistent in the treatment of these activities, only those that meet the materiality criterion at the activity level should be considered. As a result of this recommendation, the only activities recommended for exclusion were those that met the materiality criterion. As a result of applying this criterion, the following activities would not be excluded:

Northern Kentucky University:	Environmental Resource Management Center Small Business Development Center Local Government Law Center Technical Services Institute Governor's Scholars Program Elderhostel Community Education
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University of Louisville:	Labor Management Center Glasgow Residency Program State Autism Center Kentucky Cancer Program Area Health Education Center
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RECOMMENDATION 5:

Determination of whether to exclude from the benchmark calculation state appropriations for mandated research and public service programs other than Agriculture Experiment Stations, Engineering Experiment Stations, and Cooperative Extension Services should be made on a case by case basis applying the criteria set forth in the survey.

Examination of each item will determine whether the activity actually is unique, and would hinder comparability. As a result of this recommendation, certain activities of the Kentucky institutions that may meet the materiality criterion, would not be excluded from the calculation. This includes the following activities:

Morehead State University

Kentucky Folk Art Center

RECOMMENDATION 6:

Only state and local appropriations for debt service made to the operating budgets of institutions should be excluded from the benchmark calculations.

Each state has something unique about the way in which it funds (or does not fund) debt service. Some provide state appropriations for all state (and university) debt service through a separate capital budget earmarked for each agency but not reported in the IPEDS financial survey. Other states are precluded by state law from issuing debt, and use “pay-as-you-go” methods of constructing/renovating/repairing buildings. In this case, there is no debt to service. Yet other states provide appropriations for debt service through a state-wide coordinating agency. Because there are so many unique circumstances in debt service appropriations, the only way to be consistent is to exclude all debt service appropriations to the operating budget from the calculation of comparable funding per student.

RECOMMENDATION 7:

For each Kentucky college or university, state appropriations for debt service per full-time equivalent student should be subtracted from the comparison public funds per student.

CHAPTER 1.0
INTRODUCTION AND BACKGROUND

1.0 INTRODUCTION AND BACKGROUND

1.1 Introduction

The passage of House Bill 1 in 1997 committed the Commonwealth of Kentucky to a bold restructuring of the governance and structure of its system of postsecondary education. The primary goal of this legislation was, and is, to establish a high performance system that will enhance the state's future economic well-being. In addition to creating a new Council on Postsecondary Education and a separate system for the Commonwealth's community and technical colleges, the legislation eliminated the funding formula that had been used to develop previous operating budget requests. The ultimate goal was to move toward the development of a funding model that both provided a competitive level of funding for the state's postsecondary institutions while creating an environment where high quality and performance were rewarded.

In 1998-99, Council staff developed a proposal to establish a benchmark funding process to replace the old funding formula for use in developing the Council's 2000-02 operating budget recommendations. The goal of this new approach is to provide a per student level of state support to each Kentucky institution that is comparable to that received by a set of out-of-state peer or "benchmark" institutions.

A benchmark process work group was established that developed a draft set of peer selection criteria that were analyzed and refined throughout the spring of 1999. A final listing of the benchmark institutions for each Kentucky institution, to be used for the 2000-02 biennium, was adopted in the summer of 2001. A list of the adopted benchmark institutions for the universities is presented in Exhibit 1-1. Although the list of peers for the seven Kentucky universities totals 147 colleges and universities in other states, there are only 106 unique institutions due to overlaps across the lists.

The approach to benchmarking is slightly different for the Kentucky Community and Technical College System. Instead of naming individual colleges in other states, all two-year colleges in nine other states are to be used for analysis. The nine states are Arkansas, Connecticut, Iowa, Minnesota, North Carolina, Ohio, South Carolina, Tennessee, and Virginia, and include 239 technical and community colleges.

The benchmark model for Lexington Community College is based on 19 individual colleges, similar to the procedure used by the universities, and those peer colleges also are listed in Exhibit 1-1.

**EXHIBIT 1-1
2000-02 BENCHMARK COLLEGES AND UNIVERSITIES LIST**

Benchmark Institution	State	LCC	EKU	KSU	MoSU	MuSU	NKU	WKU	UK	UL
Jacksonville St U	AL				1					
Jefferson State CC	AL	1								
U Alabama Birmingham	AL									1
U Arkansas Little Rock	AR		1				1	1		
U Arkansas Pine Bluff	AR			1						
U Arizona	AZ								1	
California St U Bakersfield	CA			1						
California St U Fresno	CA		1					1		
California St U Hayward	CA						1			
California St U San Bernardino	CA						1			
Evergreen Valley College	CA	1								
U California Los Angeles	CA								1	
Fort Lewis C	CO			1						
C Connecticut St U	CT				1	1	1			
Florida A&M U	FL					1				
Polk Community College	FL	1								
Manatee Community College	FL	1								
U Florida	FL								1	
U South Florida	FL									1
U West Florida	FL					1				
Albany St U	GA			1						
U Georgia	GA								1	
Kapiolani CC	HI	1								
U Iowa	IA								1	
U No Iowa	IA		1					1		
E Illinois U	IL		1		1			1		
Illinois St U	IL		1					1		
Prairie State College	IL	1								
S Illinois U Edwardsville	IL					1				
U Illinois Chicago	IL									1
U Illinois Urbana	IL								1	
W Illinois U	IL		1			1		1		

EXHIBIT 1-1 (Continued)
2000-02 BENCHMARK COLLEGES AND UNIVERSITIES LIST

Benchmark Institution	State	LCC	EKU	KSU	MoSU	MuSU	NKU	WKU	UK	UL
Ball State U	IN		1			1		1		
Indiana St U	IN		1			1	1	1		
Indiana U Purdue U Indianapolis	IN									1
Purdue U Main	IN								1	
Pittsburg St U	KS				1					
Wichita St U	KS						1			
Bridgewater State	MA						1			
Bunker Hill Community C	MA	1								
N Adams St C	MA			1						
U Massachusetts Boston	MA						1			
Baltimore City CC	MD	1								
Frederick CC	MD	1								
Morgan St U	MD			1						
U Maryland College Park	MD								1	
E Michigan U	MI		1					1		
N Michigan U	MI		1	1	1			1		
Oakland U	MI						1			
U Michigan Ann Arbor	MI								1	
Wayne St U	MI									1
Normandale CC	MN	1								
U Minnesota Twin Cities	MN								1	
C Missouri St U	MO		1		1	1		1		
Lincoln U	MO			1						
SE Missouri St U	MO		1		1	1		1		
Truman St U	MO			1						
U Missouri St. Louis	MO						1			
U Missouri Columbia	MO									1
U Missouri Kansas City	MO									1
Jackson St U	MS			1						
Appalachian St U	NC		1					1		
Fayetteville St U	NC			1						
North Carolina A&T St U	NC			1						
North Carolina Central U	NC			1						
North Carolina St U	NC								1	
U North Carolina Asheville	NC			1						
U North Carolina Chapel Hill	NC								1	
U North Carolina Charlotte	NC						1			
U North Carolina Greensboro	NC		1			1		1		
U North Carolina Pembroke	NC			1						
W Carolina U	NC		1		1	1		1		
U Nebraska Kearney	NE				1					
Kean U	NJ						1			
Hudson County CC	NJ	1								
Ramapo College of NJ	NJ			1						
Rowan U	NJ				1		1			
U Nevada Las Vegas	NV						1			
U Nevada Reno	NV									1
SUNY Buffalo	NY									1
SUNY College Brockport	NY				1					
Dutchess CC	NY	1								
SUNY College Oswego	NY				1					
SUNY College Plattsburgh	NY				1					
SUNY Stony Brook	NY									1

EXHIBIT 1-1 (Continued)
2000-02 BENCHMARK COLLEGES AND UNIVERSITIES LIST

Benchmark Institution	State	LCC	EKU	KSU	MoSU	MuSU	NKU	WKU	UK	UL
U of Akron Main	OH						1			
Bowling Green St U Main	OH		1					1		
Ohio St U Main	OH								1	
U Cincinnati Main	OH									1
W Chester St U	OH		1							
Wright St U	OH					1				
Youngstown St U	OH		1				1	1		
SE Oklahoma St U	OK			1						
Portland St U	OR						1			
California U Pennsylvania	PA				1	1				
Clarion U Pennsylvania	PA				1					
Indiana U Pennsylvania	PA					1				
Millersville U Pennsylvania	PA				1					
Pennsylvania St U Main	PA								1	
Shippensburg U Pennsylvania	PA					1				
Slippery Rock U Pennsylvania	PA					1				
Temple U	PA									1
U Pittsburgh Main	PA									1
West Chester U Pennsylvania	PA		1		1		1	1		
South Carolina St U	SC			1						
Midlands Technical C	SC	1								
U South Carolina Columbia	SC									1
Tennessee Tech U	TN					1				
Pellissippi St Technical CC	TN	1								
Shelby St CC	TN	1								
U Tennessee Chattanooga	TN					1				
Texas A&M U Corpus Christi	TX				1					
Texas A&M U Main	TX								1	
El Centro College	TX	1								
U Texas Austin	TX								1	
George Mason U	VA						1			
J Sargeant Reynolds CC	VA	1								
U Virginia Main	VA								1	
Virginia Commonwealth U	VA									1
Virginia St U	VA			1						
E Washington U	WA				1	1				
South Puget Sound CC	WA	1								
Tacoma CC	WA	1								
U Washington	WA								1	
U Wisconsin Madison	WI								1	
TOTAL		19	19	19	19	19	19	18	19	15

As in any new funding model, the initial implementation revealed the need for various refinements to be undertaken prior to the next biennium (2002-04). Among these refinements, the Council, universities, and community and technical college system presidents agreed that state funded mandated research and public service programs as well as state funded debt service should be excluded from the benchmark funding process. It was subsequently determined that a survey of both Kentucky institutions and their benchmark institutions should be conducted to identify specifically the state general fund amounts reported for these activities through the IPEDS finance survey, which serves as the basis for the benchmark funding approach. Institutions had to be surveyed because the current IPEDS finance survey, while extremely useful for inter-institutional comparisons, does not collect data at a sufficient level of detail to permit this refined level of analysis.

The Council intends to use the results of this survey in developing its funding recommendations for the 2002-04 biennium. To conduct the survey, the Council contracted with MGT of America, Inc., a national, public sector, consulting firm that specializes in higher education. This report presents the findings of the study. Chapter 1 provides an introduction, overview, and explanation of the methodology used in the study. Chapter 2 reports on the results of the survey, and is organized into sections for each of the senior institutions, Lexington Community College, and the technical and community college sector. Chapter 3 provides a summary and recommendations for inclusion of the survey results into the funding model for the 2002-04 biennium. Appendix A includes a copy of the survey used to collect data from the Kentucky and benchmark institutions.

Because the results of this study will be used in determining funding for the Kentucky public colleges and universities, all parties involved must have confidence in the accuracy and comparability of the data. Therefore, one objective of the study was to ensure that data were comparable and accurate.

1.2 Study Methodology

The methodology for the study had seven tasks:

- **Task One:** Initiate Project Activity
- **Task Two:** Design Survey Of Mandated Programs
- **Task Three:** Design Survey Of General Fund Debt Service
- **Task Four:** Conduct Survey Of Mandated Programs
- **Task Five:** Conduct Survey Of General Fund Debt Service
- **Task Six:** Issue Written Report Of Findings And Recommendations
- **Task Seven:** Present Findings And Recommendations To Council

The Council set forth an aggressive schedule for this project where the survey instrument was developed and approved by July 30, 2001, and MGT completed the data collection and analysis by October 15, 2001. MGT also developed recommendations on how the survey results should be incorporated into the benchmark funding model.

The first task of the study was to finalize a detailed work plan. MGT project staff met with the Council Project Officer and staff to introduce project leaders and to review the proposed methodology and work plan to ensure that each component was relevant to the needs of the Council. In addition, MGT obtained copies of relevant background materials, and then revised methodology and work plan as appropriate based on discussions with Project Officer and review of background materials.

The next tasks involved review of the current working draft definition of mandated programs used by the Council and an evaluation for clarity across different state and institutional settings. MGT reviewed with Council staff definitions used in similar data

collection programs, such as our studies for other state systems and the SREB Data Exchange. In conjunction with the Council staff and universities, MGT developed criteria for assessing alternative definitions that might be used in a survey on mandated research and public service programs. From that discussion, MGT recommended a definition of mandated programs for use in the survey and study.

At the same time, similar steps were followed for the debt service component of the study: review the current working draft definition of general fund debt service used by Council and evaluate for clarity across different state and institutional settings; review definitions used in similar data collection programs, such as our studies for other state systems, SHEEO, and the SREB Data Exchange; develop criteria for assessing alternative definitions for use in survey; recommend definition of general fund debt service for use in the survey; and revise definition and instrument based on discussions with Project Officer and Council and institutional staff.

Next, we created a data collection instrument that solicited the required information from benchmark institutions. After review of the recommended data collection instrument by the Council Project Officer and staff, Council staff met with the university budget officers (CBOs). The definitions and instrument were revised based on those discussions.

Following review and approval of the survey instrument, MGT staff distributed the survey to all 361 benchmark institutions, or to their governing boards. MGT staff contacted each benchmark institution to identify the most appropriate officials to serve as respondents. (This activity was performed while the survey instrument was still being developed, so the project could be completed within very tight time constraints.) The survey/information request was sent to identified contacts via email or through U.S. mail, when necessary. After several days, follow-up emails were sent to serve as reminders and also as offers of assistance on any confusion of terms used in the survey.

MGT staff continued to monitor the survey responses and contact non-respondents by telephone or fax to generate as complete as possible a response from all benchmark institutions. MGT sought clarification of questionable responses through follow-up with the contact person at the benchmark institution, contact with other knowledgeable officials (e.g., the local SHEFO) and/or comparison to external sources of similar data.

To assist in getting responses from as many of the benchmark institutions as possible, only one survey containing requests for information on both mandated programs and debt service, was sent to each benchmark institution. From the survey responses, MGT compiled a comprehensive listing of mandated programs that have been identified by the benchmark and Kentucky institutions, and the associated “budgets.” From this listing, then, MGT recommended programs and amounts to be recognized as “mandated programs” for use in the Council funding model. Similarly, MGT compiled lists of which institutions (and states) provide general fund appropriation support for debt service.

In the next stage, MGT used the survey results to recommend programs and amounts to be recognized as “mandated research or public service programs” or “general fund debt service” for use in the Council funding model, and to identify the issues associated with mandated programs and general fund debt service as they impact the Council funding model. The results are discussed in detail in the following sections of the report.

CHAPTER 2.0
SURVEY AND RESULTS

2.0 SURVEY AND RESULTS

2.1 Survey Methodology

MGT worked closely with the staff of the Kentucky Council and with an oversight committee composed of a senior financial officer from each institution to develop a survey instrument. Council staff and the committee discussed alternatives for defining “mandated programs” and “debt service” as well as the specifics of the survey instrument that was used to collect information both from the Kentucky colleges and universities and from the benchmark institutions. The survey instrument is included as Appendix A.

MGT created a web-based survey to gain the needed information on mandated programs and debt service from the institutions. This approach made the data collection process faster and created a greater sense of urgency for submitting responses. Also, the chance of improperly recording data is minimized if no re-keying of hard copy submissions is required.

MGT staff used their extensive contacts in colleges and universities across the nation to ensure the highest possible response rate, and documented and validated all information received from benchmark institutions for inclusion in the database. The project required building a large database with information coming from many different sources. Some of the data are likely to be subject to challenge. These circumstances require close attention to quality control in the creation and maintenance of the database.

Where necessary to ensure an acceptable response rate, data were collected from the State Higher Education Finance Officers (SHEFO), and from the Integrated Postsecondary Education Data System (IPEDS) surveys of student enrollment and

finance information. A total of 361 benchmark institutions received surveys and data were obtained for 360 or 99.7 percent.

Results of the survey are discussed for each institution in the sections below. A summary is provided in Chapter 3. In these discussions, full-time equivalent students are calculated as the sum of the full-time headcount students plus one-third the part-time students. For the purposes of this survey, **Research** includes funds to be expended for activities specifically organized to produce non-instructional research outcomes, including Agricultural and Engineering Experiment Stations. **Public Service** includes funds to be expended to provide non-instructional services beneficial to groups external to the institution. “**Mandated research or public service** activities” are defined as those that must have an external legal mandate, either through statute, resolution, or executive order (e.g., state law requiring maintenance of an arboretum on campus) and receive appropriations greater than \$25 per FTE student. Also, the activities should meet most of the following criteria:

- the activity is not integral to the “instructional” mission of the institution;
- the activity is relatively unique among institutions in the state (e.g., cooperative extension service or agriculture experiment station);
- the activity is “program-funded” or has a specific line item appropriation for carrying out its purposes (e.g., State Institute for Research on Exceptional Children);
- the activity could be operated by an agency other than a state college or university (e.g., running the state’s Natural History Museum);
- the activity is funded primarily with state general funds appropriations (do not include activities that are funded primarily by other sources of revenue such as state contracts or grants).

For this study, **debt service** is defined as state general funds appropriated directly to the institution for servicing principal and interest on debt issued for land, equipment, or buildings.

2.2 University of Kentucky

The University of Kentucky is the land-grant institution for the state of Kentucky, and therefore, houses the Agriculture Experiment Station (AES) and the Cooperative Extension Service (CES) for Kentucky. In addition, the University has medical and dental schools. The University of Kentucky has 19 benchmark institutions to which it is compared. Not all of the benchmarks are land-grant institutions or have medical schools. The benchmark institutions for the University of Kentucky are displayed in Exhibit 2-1, along with the number of FTE students enrolled in FY 1998-99.

In the fall of 1998, the University of Kentucky enrolled 23,707 headcount students, compared to a benchmark average of 36,642. Similarly, the University of Kentucky enrolled 20,055 FTE students and the benchmark institutions enrolled an average of 32,675 FTE students. The University of Kentucky is smaller than the average peer institution. Also displayed in Exhibit 2-1 are total state appropriations, the amounts received from tuition and fee revenues, the amounts appropriated for mandated research and public service programs, and any amounts appropriated in the operating budget for debt service. The only amounts shown for mandated research and public service programs for the benchmark institutions are amounts that met the materiality criterion of \$25 per FTE student. For example, the University of Arizona received a special state appropriation of \$90,000 for a poison control center, which was not included since UA's materiality number is more than \$700,000.

The University of Kentucky reported state appropriations for mandated research and public service activities as well as for debt service. Those benchmark institutions reporting state appropriations for mandated research or public service activities are listed in Exhibit 2-1, also.

EXHIBIT 2-1
FY 1998-99 REVENUES FOR MANDATED RESEARCH AND
PUBLIC SERVICE PROGRAMS AND DEBT SERVICE
UNIVERSITY OF KENTUCKY AND BENCHMARK INSTITUTIONS

	FTEs	State Appropriations	Tuition and Fee Revenues	Total Public Funds	State Apps. & Tuition per FTE	App. For Mandated Research	Mandated Research Programs Included	Approp. Mandated Public Service	Mandated Research Programs Included	State Approp. For Debt Service
University of Arizona	29,132	314,081,496	150,165,216	464,246,712	15,936	18,933,500	A	18,933,500	B	0
University of California-Los Angeles	34,634	499,237,000	222,499,000	721,736,000	20,839	0		0		0
University of Florida	38,725	491,400,000	121,858,000	613,258,000	15,836	40,154,310	A, D	28,926,318	B	0
University of Georgia	27,304	402,227,259	114,533,850	516,761,109	18,926	48,340,173	A, E, F, G, H	36,832,375	B, I	0
University of Iowa	24,558	256,940,802	122,949,500	379,890,302	15,469	0		0		0
University of Illinois-Urbana	35,418	299,367,956	194,217,194	493,585,150	13,936	21,050,000	A	21,050,000	B	0
Purdue University-Main Campus	35,030	251,097,949	214,491,485	465,589,434	13,291	7,053,155	A	4,333,963	B	18,429,026
University of Maryland-College Park	28,181	302,000,000	178,600,000	480,600,000	17,054	0		0		0
University of Michigan-Ann Arbor	34,833	329,894,187	458,456,877	788,351,064	22,632	0		0		0
University of Minnesota- Twin Cities	35,520	531,208,182	233,641,547	764,849,729	21,545	33,501,312	A, C	19,380,879	B	0
North Carolina State University - Raleigh	22,719	335,471,223	78,932,381	414,403,604	18,241	48,611,758	A	36,511,931	B	0
University of North Carolina at Chapel Hill	21,386	382,372,000	110,400,000	492,772,000	23,041	0		0		0
Ohio State University- Main Campus	42,580	384,064,304	297,458,231	681,522,535	16,006	0		0		0
Pennsylvania State University -Main Campus	38,459	218,221,801	334,483,029	552,704,830	14,371	21,565,000	A	23,276,000	B	0
Texas A&M University Main Campus	40,554	376,762,793	189,850,313	566,613,106	13,972	64,121,212	A, C	52,547,499	B, J	0
University of Texas-Austin	44,988	255,448,122	220,778,478	476,226,600	10,586	0		0		8,540,997
University of Virginia-Main Campus	19,405	136,484,095	163,487,503	299,971,598	15,458	0		0		0
University of Washington	31,177	286,246,000	219,523,000	505,769,000	16,223	5,889,000	D, K	0		0
University of Wisconsin-Madison	36,228	364,789,020	242,951,501	607,740,521	16,775	9,887,116	A, D, L	12,745,946	B, M, N	33,427,241
Average	32,675	337,665,275	203,570,951	541,399,542	16,619	16,795,081		13,828,397		3,178,803
U of Kentucky	20,555	278,515,934	99,937,014	378,452,948	18,412	22,807,200	A, K	36,130,800	B, K, N, O, P, Q, R	12,010,900

A = Agriculture Experiment Station. B = Cooperative Extension Service. C = Engineering Experiment Station. D = Other Research Centers. E = Forestry Research. F = Marine Institute. G = Veterinary Medicine Experiment Station. H = Veterinary Medicine Agriculture Research. I = Marine Extension Service. J = Engineering Extension Service. K = Medical Aid/Rural Health. L = Biotechnology Transfer. M = State Hygiene Laboratory. N = Business/Manufacturing Extension Service. O = Agriculture Public Service. P = Livestock Disease Laboratory. Q = Geological Survey. R = University Press.

Exhibit 2-2 displays a listing of the mandated research and public service programs reported by the benchmark institutions. Also listed are the benchmarks that report state-funded debt service. During FY 1998-99, the benchmarks reported expending \$271,970,771 for Agriculture Experiment Stations, and \$48,005,765 for other mandated research programs, a total of \$319,976,536, or \$515 per full-time equivalent student. Several of these programs reported by the benchmarks did not meet the materiality criterion and were excluded from the numbers shown in Exhibit 2-1.

EXHIBIT 2-2
LISTING OF MANDATED PROGRAMS AND STATE-FUNDED DEBT SERVICE
UNIVERSITY OF KENTUCKY BENCHMARK INSTITUTIONS

RESEARCH PROGRAMS	PUBLIC SERVICE PROGRAMS	INSTITUTIONS WITH STATE FUNDED DEBT SERVICE
Agriculture Experiment Station Engineering Experiment Station Veterinary Medicine Experiment Station Veterinary Medicine Agriculture Research Industrial and Economic Development Agricultural Research Biotechnology Transfer Prostate Cancer Research Diabetes Research Fishery Resource Forestry Research Marine Institute Center for Governmental Studies Youth Gang Prevention Experimental Farm and State Arboretum	Cooperative Extension Service Marine Extension Service Continuing Education Business and Manufacturing Extension State Laboratory of Hygiene Death Investigation Medical Aid Foundation for the Humanities Area Health Education Center (AHEC) Minority Business Enterprises Veterinary Laboratories	Purdue University – Main Campus University of Texas Austin University of Wisconsin – Madison

For mandated public service programs, in FY1999 the benchmark institutions expended a total of \$348,301,686, or \$561 per full-time equivalent student, from a combination of state and local appropriations. Purdue University and the University of Georgia received local appropriations for operation of Cooperative Extension Services. In contrast, the University of Kentucky expended a total of \$36,130,800, or \$1,758 per student in FY1999.

University of Kentucky also received state appropriations within the operating budget for debt service in FY1999 totaling over \$12.0 million (\$618 per FTES) in FY1999. The benchmark institutions reported state appropriations for debt service within their operating budgets totaling \$60,397,264 or \$97 per FTE student in FY1999.

2.3 University of Louisville

The University of Louisville is an urban institution located in Kentucky's largest metropolitan area. The University has three campuses, including a medical center and hospital. The University of Louisville has 15 benchmark institutions to which it is compared, all of which have or are medical campuses. Two of the benchmarks, the University of Missouri at Columbia and the University of Nevada Reno, are land-grant institutions. The benchmark institutions for the University of Louisville are displayed in Exhibit 2-3, along with the number of FTE students enrolled in FY 1998-99.

Also displayed in Exhibit 2-3 are the total state appropriations, the amounts received from tuition and fee revenues, the amounts appropriated for mandated research and public service programs, and any amounts appropriated in the operating budget for debt service. The only amounts shown for mandated research and public service programs for the benchmark institutions are amounts that met the materiality criterion of \$25 per FTE student. Many of the institutions responding to the survey had special state appropriations for mandated programs that are not included because the amounts did not meet the materiality criterion of \$25 per student. University of Louisville reported receiving state appropriations for public service programs and debt service.

In the fall of 1998, the University of Louisville enrolled 20,195 headcount students, compared to a benchmark average of 23,324, and in fall 1998 UL enrolled 15,242 full-time equivalent students, compared to a benchmark average of 18,111. The University of Louisville is smaller than the average benchmark institution.

EXHIBIT 2-3
FY 1998-1999 REVENUES FOR MANDATED RESEARCH AND
PUBLIC SERVICE PROGRAMS AND DEBT SERVICE
UNIVERSITY OF LOUISVILLE AND BENCHMARK INSTITUTIONS

Institution	FTES	State Appropriations	Tuition and Fee Revenues	Total Public Funds	State Apps. & Tuition per FTE	App. For Mandated Research	Mandated Research Programs Included	Approp. Mandated Public Service	Mandated Research Programs Included
University of Alabama-Birmingham	11,731	192,913,419	59,112,788	252,026,207	21,483	0		0	
University of South Florida	23,236	267,495,432	74,820,888	342,316,320	14,732	6,255,355	D	0	
University of Illinois-Chicago	21,346	322,480,500	78,252,500	400,733,000	18,773	0		0	
Indiana University-Purdue University-Indianapolis	18,920	168,409,487	98,385,491	266,794,978	14,101	0		0	
Wayne State University	20,295	231,476,455	102,748,232	334,224,687	16,468	9,297,042	K, L, N	708,638	K
University of Missouri – Kansas City	7,507	75,204,261	72,921,000	148,125,261	19,731	0		0	
University of Missouri – Columbia	20,499	185,142,218	136,118,966	321,261,184	15,672	15,563,026	A, M	9,536,757	B, K
University of Nevada-Reno	9,070	119,689,000	34,306,378	153,995,378	16,978	5,837,000	A	6,455,000	B, M
SUNY at Buffalo	19,691	258,742,671	100,114,017	358,856,688	18,224	0		0	
SUNY at Stony Brook	15,648	201,767,789	72,120,452	273,888,241	17,503	2,469,422	F	0	
University of Cincinnati-Main Campus	22,653	172,770,174	146,699,597	319,469,771	14,103	2,684,196	D	0	
Temple University	21,211	153,232,000	210,753,000	363,985,000	17,160	0		0	
University of Pittsburgh-Main Campus	21,914	158,205,000	206,489,000	364,694,000	16,642	0		0	
University of South Carolina-Columbia	20,477	165,499,906	112,468,600	277,968,506	13,575	0		0	
Virginia Commonwealth University	17,465	156,299,295	91,810,307	248,109,602	14,206	500,000	D	0	
Average	18,111	188,621,840	106,474,748	295,096,588	16,294	2,895,117		1,113,360	
University of Louisville	15,242	161,048,000	67,009,000	228,057,000	14,962	0		16,322,100	S, T

A = Agriculture Experiment Station. B = Cooperative Extension Service. C = Engineering Experiment Station. D = Other Research Centers. E = Forestry Research. F = Marine Institute. G = Veterinary Medicine Experiment Station. H = Veterinary Medicine Agriculture Research. I = Marine Extension Service. J = Engineering Extension Service. K = Medical Aid/Rural Health. L = Biotechnology Transfer. M = State Hygiene Laboratory. N = Business/Manufacturing Extension Service. O = Agriculture Public Service. P = Livestock Disease Laboratory. Q = Geological Survey. R = University Press. S = Hospital. T = State Data Center.

Exhibit 24 displays a listing of the mandated research and public service programs reported by the benchmark institutions. None of the benchmark institutions reported state-funded debt service in the operating budget. During FY1999, the University of Louisville received a total of \$228.1 million from state appropriations and tuition and fee revenues, or \$14,962 per FTES compared to the benchmark average of \$16,294 per student.

EXHIBIT 2-4
LISTING OF MANDATED PROGRAMS AND STATE-FUNDED DEBT SERVICE
UNIVERSITY OF LOUISVILLE BENCHMARKS

RESEARCH PROGRAMS	PUBLIC SERVICE PROGRAMS	INSTITUTIONS WITH STATE FUNDED DEBT SERVICE
Agriculture Experiment Station Center on Urban Development Labor Center Massey Center Psychiatric Lab Molecular Medicine Manufacturing Research Chemical Toxicology Research Administration Center on Aging Research Challenge Phosphate Research Sea Grant Institute of Mental Health	Cooperative Extension Service Autism Program Executive Institute Gang Prevention Project Jobs Challenge Kidney Program State Health Laboratory Psychiatric Public Service College Day	NONE

During FY 1998-99, the benchmarks reported expending \$19.0 million for Agriculture Experiment Stations, and \$24.4 million for other mandated research programs, a total of \$43,426,750, or \$160 per full-time equivalent student. The University of Louisville had no mandated research expenditures during FY1999. For mandated public service programs, in FY1999 the benchmark institutions expended a total of \$17,605,046 from state appropriations, or an average of \$1,113,360. The University of Louisville expended a total of \$16,322,100 in FY1999. University of Louisville also received state appropriations within the operating budget for debt service in FY1999 totaling over \$11.3 million while the benchmark institutions did not report any state appropriations for debt service within their operating budgets.

2.4 Eastern Kentucky University

Eastern Kentucky University is a comprehensive regional university serving central, eastern, and southeastern Kentucky. Eastern Kentucky has 18 benchmark institutions to which it is compared, which are displayed in Exhibit 2-5, along with the number of FTE students enrolled in FY 1998-99. Also displayed in Exhibit 2-5 is the total state appropriation, the amount received from tuition and fee revenues, the amounts appropriated for mandated research and public service programs, and any amounts appropriated in the operating budget for debt service.

In the fall of 1998, Eastern Kentucky University enrolled 15,366 headcount students, compared to a benchmark average of 13,363 and ECU enrolled 12,456 full-time equivalent students, compared to a benchmark average of 11,166. ECU is larger than the average benchmark institution. In FY1999 ECU received \$7,869 per FTE student from public funds while the benchmark institutions reported receiving \$10,262 (as reported in the IPEDS financial survey).

None of the benchmark institutions or Eastern Kentucky reported any funding that met the materiality criterion for either mandated research or public service programs in FY1999. ECU received \$5.3 million for debt service or \$426 per FTE student and West Chester University received \$1.5 million in FY1999.

EXHIBIT 2-5
FY 1998-99 REVENUES FOR MANDATED PROGRAMS AND DEBT SERVICE
EASTERN KENTUCKY UNIVERSITY AND BENCHMARK INSTITUTIONS

	Head-count	FTEs	State Appropriations	Tuition and Fees	Total Public Funds	Public Funds/ FTEs	Approp. For Debt
University of Arkansas at Little Rock	10,487	7,309	43,650,464	26,868,735	70,519,199	9,648	0
California State University-Fresno	18,101	15,124	126,843,386	40,556,755	167,400,141	11,069	0
University of Northern Iowa	13,545	11,863	89,003,469	37,447,252	126,450,721	10,659	0
Eastern Illinois University	11,735	10,437	59,110,327	36,934,538	96,044,865	9,202	0
Illinois State University	20,394	18,171	106,567,152	71,173,814	177,740,966	9,781	0
Western Illinois University	12,610	10,447	55,108,605	31,179,705	86,288,310	8,260	0
Ball State University	18,924	16,764	124,457,576	78,624,797	203,082,373	12,114	0
Indiana State University	10,970	9,340	78,158,781	34,850,561	113,009,342	12,100	0
Eastern Michigan University	22,463	16,010	79,863,515	76,927,600	156,791,115	9,793	0
Northern Michigan University	7,779	6,666	47,247,801	24,029,336	71,277,137	10,693	0
Central Missouri State University	10,763	8,596	54,303,804	27,471,430	81,775,234	9,513	0
Southeast Missouri State University	8,487	6,709	44,817,277	23,631,675	68,448,952	10,203	0
Appalachian State University	12,904	11,819	75,921,609	34,084,981	110,006,590	9,307	0
University of North Carolina at Greensboro	12,995	10,392	82,285,336	31,680,580	113,965,916	10,967	0
Western Carolina University	6,534	5,634	50,178,359	11,504,989	61,683,348	10,948	0
Bowling Green State University-Main Campus	17,735	15,929	75,148,103	99,979,560	175,127,663	10,994	0
Youngstown State University	12,533	10,090	46,802,964	44,901,625	91,704,589	9,089	0
West Chester University of Pennsylvania	11,578	9,692	40,591,993	50,677,724	91,269,717	9,417	1,511,911
AVERAGE	13,363	11,166	71,114,473	43,473,648	114,588,121	10,262	83,995
Eastern Kentucky University	15,366	12,456	63,791,500	34,223,763	98,015,263	7,869	5,309,600

2.5 Kentucky State University

Kentucky State University is the 1890 land grant institution for Kentucky. Because of this designation, KSU has some agriculture outreach programs. Kentucky State University has 19 benchmark institutions to which it is compared and which are displayed in Exhibit 2-6, along with the number of headcount students and FTE students enrolled in FY 1998-99. Also displayed in Exhibit 2-6 are total state appropriations, the amounts received from tuition and fee revenues, the amounts appropriated for mandated research and public service programs, and any amounts appropriated in the operating budget for debt service. Kentucky State University reported state appropriations for debt service.

In the fall of 1998, Kentucky State University enrolled 2,302 headcount students, compared to a benchmark average of 4,694; and KSU enrolled 1,855 full-time equivalent students compared to the benchmark average of 3,964 FTE students. Kentucky State University is smaller than the average benchmark institution.

From a combination of state appropriations and tuition and fee revenues, the average benchmark institution received \$10,431 per FTES in FY1999, compared to \$14,467 for KSU. Only one benchmark institution, UNC - Asheville, reported a mandated program, an arboretum that is a public service activity. None of the benchmarks reported any state appropriations for debt service. Kentucky State received \$2.2 million in both FY1999 and FY2000 for debt service, which is equivalent to \$1,198 per FTE student in FY1999, and \$1,143 per student in FY2000.

**EXHIBIT 2-6
KENTUCKY STATE UNIVERSITY AND BENCHMARK INSTITUTIONS**

	Head-count	FTES	State Appropriations	Tuition and Fees	Total Public Funds	Public Funds/ FTES	Approp. For Public Service
University of Arkansas - Pine Bluff	3,069	2,786	17,549,142	6,832,166	24,381,308	8,752	0
California State University-Bakersfield	5,594	4,475	42,544,193	13,430,937	55,975,130	12,509	0
Fort Lewis College	4,260	3,973	14,685,530	12,078,855	26,764,385	6,736	0
Albany State University	3,200	2,660	18,359,367	7,622,790	25,982,157	9,768	0
North Adams State College	1,628	1,327	12,439,485	5,247,650	17,687,135	13,332	0
Morgan State University	6,141	5,469	38,358,243	26,200,746	64,558,989	11,805	0
Northern Michigan University	7,779	6,666	47,247,801	24,029,336	71,277,137	10,693	0
Lincoln University	3,214	2,351	15,505,955	7,203,871	22,709,826	9,658	0
Truman State University	6,439	6,208	39,234,503	26,929,908	66,164,411	10,658	0
Jackson State University	6,292	5,496	35,961,042	20,364,208	56,325,250	10,248	0
Fayetteville State University	4,373	3,326	27,566,375	6,394,473	33,960,848	10,212	0
North Carolina A&T State University	7,465	6,561	57,316,657	17,273,878	74,590,535	11,369	0
North Carolina Central University	5,743	4,562	42,390,834	10,391,224	52,782,058	11,569	0
University of North Carolina at Asheville	3,175	2,616	23,904,879	5,195,173	29,100,052	11,122	1,741,718
University of North Carolina at Pembroke	3,086	2,452	22,303,816	3,588,307	25,892,123	10,560	0
Ramapo College of New Jersey	4,812	3,524	23,837,000	16,236,000	40,073,000	11,371	0
Southeastern Oklahoma State University	3,783	3,189	14,823,626	6,935,887	21,759,513	6,823	0
South Carolina State University	4,795	4,175	28,476,815	13,828,475	42,305,290	10,133	0
Virginia State University	4,341	3,499	20,184,406	13,149,157	33,333,563	9,527	0
AVERAGE	4,694	3,964	28,562,614	12,785,950	41,348,564	10,431	91,669
Kentucky State	2,303	1,855	20,364,100	6,476,306	26,840,406	14,467	0

2.6 Morehead State University

Morehead State University is located in eastern Kentucky, and provides associates, bachelors, and masters degree programs. Morehead has 19 benchmark institutions to which it is compared which are displayed in Exhibit 2-7, along with the number of headcount students and FTE students enrolled in FY 1998-99. Also displayed in Exhibit 2-7 are the total state appropriation amounts, the amounts received from tuition and fee revenues, the amounts appropriated for mandated research and public service programs, and any amounts appropriated in the operating budget for debt service. Morehead State University reported state appropriations for mandated public service activities and for debt service.

In the fall of 1998, Morehead State enrolled 8,263 headcount students, compared to a benchmark average of 8,114, and in fall 1998 MSU enrolled 6,746 full-time equivalent students, compared to a benchmark average of 6,719. Morehead is about the same size as the average benchmark institution.

Among the benchmark institutions, SUNY – Brockport and West Chester University reported receiving state funded debt service in the operating budget of the institution. Morehead State University reported that it received state appropriations for debt service of \$2.1 million or \$232 per full-time equivalent student in FY1999, compared to the benchmark average of \$70 per FTE student in FY1999. As noted earlier, Morehead did report mandated public service programs that did not meet the materiality criterion.

EXHIBIT 2-7
MOREHEAD STATE UNIVERSITY AND BENCHMARK INSTITUTIONS

	Head-count	FTEs	State Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Debt Service Approp.
Jacksonville State University	7,618	6,206	26,092,413	19,984,926	46,077,339	7,425	0
Central Connecticut State University	11,686	8,177	52,028,798	36,503,054	88,531,852	10,827	0
Eastern Illinois University	11,735	10,437	59,110,327	36,934,538	96,044,865	9,202	0
Pittsburg State University	6,268	5,383	29,706,092	13,720,112	43,426,204	8,068	0
Northern Michigan University	7,779	6,666	47,247,801	24,029,336	71,277,137	10,693	0
Central Missouri State University	10,763	8,596	54,303,804	27,471,430	81,775,234	9,513	0
Southeast Missouri State University	8,487	6,709	44,817,277	23,631,675	68,448,952	10,203	0
Western Carolina University	6,534	5,634	50,178,359	11,504,989	61,683,348	10,948	0
University of Nebraska-Kearney	6,849	5,796	26,749,984	12,942,129	39,692,113	6,849	0
Rowan College of New Jersey	9,480	7,482	45,193,536	34,854,751	80,048,287	10,699	0
SUNY College-Brockport	8,581	6,737	36,967,943	28,559,041	65,526,984	9,726	7,379,470
SUNY College-Oswego	7,718	6,757	29,701,772	27,631,632	57,333,404	8,485	0
SUNY College-Plattsburgh	5,937	5,354	25,622,010	21,812,791	47,434,801	8,859	0
California University of Pennsylvania	5,800	5,047	29,084,143	23,698,821	52,782,964	10,458	0
Clarion University of Pennsylvania	5,866	5,352	29,933,220	23,861,427	53,794,647	10,051	0
Millersville University of Pennsylvania	7,466	6,254	32,424,076	32,323,228	64,747,304	10,353	0
West Chester University of Pennsylvania	11,578	9,692	40,591,993	50,677,724	91,269,717	9,417	1,511,911
Texas A&M University-Corpus Christi	6,335	4,431	35,802,468	15,415,615	51,218,083	11,559	0
Eastern Washington University	7,688	6,947	39,454,086	29,156,507	68,610,593	9,876	0
Average	8,114	6,719	38,684,742	26,037,565	64,722,307	9,633	467,967
Morehead State University	8,263	6,746	38,812,512	21,102,618	59,915,130	8,882	2,129,000

2.7 Murray State University

Murray State University is located in western Kentucky and includes a school of agriculture. MSU has 19 benchmark institutions to which it is compared and which are displayed in Exhibit 2-8, along with the number of headcount students and FTE students enrolled in FY 1998-99. Also displayed in Exhibit 2-8 are the total state appropriation, the amounts received from tuition and fee revenues, the amounts appropriated for mandated research and public service programs, and any amounts appropriated in the operating budget for debt service. Murray State University reported state appropriations for mandated public service programs and for debt service.

In the fall of 1998, Murray State University enrolled 8,896 headcount students, compared to a benchmark average of 10,358, and MSU enrolled 7,503 full-time

equivalent students, compared to a benchmark average of 8,631. Murray State University is smaller than the average benchmark institution.

In FY1999 Murray State received \$9,699 per FTE student from the combination of state appropriations and tuition and fee revenues, while the average benchmark average amount per student was \$10,511. Wright State University reported receiving \$3.8 million in state appropriations for a research challenge grant while Slippery Rock State University (PA) reported a mandated public service program in the form of an Environmental Center. None of the benchmark institutions reported state appropriations for debt service. Murray State had no mandated research activities, but received \$2,256,000 from state appropriations in FY1999 for the Breathitt Veterinary Center. In addition, MSU received \$3.4 million in FY1999 from state appropriations for debt service.

EXHIBIT 2-8 MURRAY STATE UNIVERSITY AND BENCHMARK INSTITUTIONS

	Head-count	FTEs	State Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Res/Public Service Approp.
Central Connecticut State University	11,686	8,177	52,028,798	36,503,054	88,531,852	10,827	0
Florida A&M University	11,828	10,511	82,155,594	40,172,021	122,327,615	11,638	0
University of West Florida	8,003	5,715	47,932,965	15,854,991	63,787,956	11,161	0
Southern Illinois University-Edwardsville	11,520	9,072	60,979,541	27,481,643	88,461,184	9,751	0
Western Illinois University	12,610	10,447	55,108,605	31,179,705	86,288,310	8,260	0
Ball State University	18,924	16,764	124,457,576	78,624,797	203,082,373	12,114	0
Indiana State University	10,970	9,340	78,158,781	34,850,561	113,009,342	12,100	0
Central Missouri State University	10,763	8,596	54,303,804	27,471,430	81,775,234	9,513	0
Southeast Missouri State University	8,487	6,709	44,817,277	23,631,675	68,448,952	10,203	0
University of North Carolina at Greensboro	12,995	10,392	82,285,336	31,680,580	113,965,916	10,967	0
Western Carolina University	6,534	5,634	50,178,359	11,504,989	61,683,348	10,948	0
Wright State University-Main Campus	14,645	11,706	82,524,876	66,309,726	148,834,602	12,715	3,811,961
California University of Pennsylvania	5,800	5,047	29,084,143	23,698,821	52,782,964	10,458	0
Indiana University of Pennsylvania	13,790	12,600	58,824,066	62,968,380	121,792,446	9,666	0
Shippensburg University of Pennsylvania	6,741	6,040	28,977,787	27,207,908	56,185,695	9,302	0
Slippery Rock University of Pennsylvania	6,923	6,282	33,029,945	28,961,627	61,991,572	9,869	230,000
Tennessee Technological University	8,215	6,981	42,837,265	19,429,026	62,266,291	8,919	0
University of Tennessee-Chattanooga	8,682	7,035	36,833,844	23,114,810	59,948,654	8,521	0
Eastern Washington University	7,688	6,947	39,454,086	29,156,507	68,610,593	9,876	0
AVERAGE	10,358	8,631	57,051,192	33,673,803	90,724,995	10,511	212,735
Murray State University	8,896	7,503	46,753,000	26,013,973	72,766,973	9,699	2,256,000
Debt Service							3,392,700

2.8 Northern Kentucky University

Northern Kentucky University is a comprehensive, metropolitan university located in northwestern Kentucky close to Cincinnati, Ohio, and offering associates, bachelors, and graduate degrees. In addition, the University has a law school. Northern Kentucky University has 19 benchmark institutions to which it is compared and which are displayed in Exhibit 2-9, along with the number of headcount students and FTE students enrolled in FY 1998-99. Also displayed in Exhibit 2-9 are the total state appropriations, tuition and fee revenues, the amounts appropriated for mandated research and public service programs, and any amounts appropriated in the operating budget for debt service. Northern Kentucky University reported state appropriations for mandated public service activities and for debt service.

EXHIBIT 2-9
NORTHERN KENTUCKY UNIVERSITY AND BENCHMARK INSTITUTIONS

	Head-count	FTEs	State Appropriations	Tuition and Fees	Total Public Funds	Public Funds/ FTEs	Debt Service Approp.	Res/Public Service Approp.
University of Arkansas at Little Rock	10,487	7,309	43,650,464	26,868,735	70,519,199	9,648	0	0
California State University-Hayward	12,888	9,957	76,046,791	34,702,616	110,749,407	11,123	0	0
California State University-San Bernardino	13,600	10,779	71,206,819	35,389,860	106,596,679	9,889	0	0
Central Connecticut State University	11,686	8,177	52,028,798	36,503,054	88,531,852	10,827	0	0
Indiana State University	10,970	9,340	78,158,781	34,850,561	113,009,342	12,100	0	0
Wichita State University	14,350	9,408	60,036,527	34,553,367	94,589,894	10,054	1,904,283	0
Bridgewater State College	9,161	6,916	29,306,548	25,223,196	54,529,744	7,885	0	0
University of Massachusetts-Boston	13,481	8,817	73,055,000	52,735,000	125,790,000	14,267	0	2,028,614
Oakland University	14,272	9,987	44,321,000	48,753,000	93,074,000	9,319	0	0
University of Missouri - St. Louis	15,880	9,120	46,740,977	55,409,238	102,150,215	11,201	0	0
University of North Carolina at Charlotte	16,861	13,092	87,321,063	32,832,266	120,153,329	9,177	0	0
Kean College of New Jersey	11,338	8,211	43,392,705	38,898,227	82,290,932	10,022	0	0
Rowan College of New Jersey	9,480	7,482	45,193,536	34,854,751	80,048,287	10,699	0	0
University of Nevada-Las Vegas	21,001	14,227	87,802,000	45,120,000	132,922,000	9,343	0	0
University of Akron-Main Campus	21,851	16,608	92,958,707	84,564,493	177,523,200	10,689	0	0
Youngstown State University	12,533	10,090	46,802,964	44,901,625	91,704,589	9,089	0	0
Portland State University	17,186	11,469	46,905,477	58,720,232	105,625,709	9,210	0	0
West Chester University of Pennsylvania	11,578	9,692	40,591,993	50,677,724	91,269,717	9,417	1,511,911	0
George Mason University	24,010	15,980	79,078,923	77,133,081	156,212,004	9,775	0	0
AVERAGE	14,348	10,351	60,242,056	44,878,475	105,120,532	10,156	179,800	106,769
Northern Kentucky University	11,795	9,164	34,642,000	35,841,000	70,483,000	7,692	5,054,000	0

In the fall of 1998, Northern Kentucky University enrolled 11,795 headcount students, compared to a benchmark institution average of 14,348, and NKU enrolled 9,164 full-time equivalent students, compared to a benchmark average of 10,351. NKU is smaller than the average benchmark institution.

In FY 1998-1999 Northern Kentucky University received \$7,692 per full-time equivalent student from the combination of state appropriations and tuition and fee revenues, compared to a benchmark institution average of \$10,156 per full-time equivalent student.

In FY1999, the University of Massachusetts at Boston reported revenues to support mandated research and public service programs. University of Massachusetts Boston expended a total of \$1.5 million in FY1999 to support the Gaston Institute, a Gerontology Institute, the Trotter Institute, and the Joiner Center. For mandated public service programs, in FY1999 UM - Boston expended a total of \$0.8 million on an Asian American Institute, Family and Community Violence, the McCormack Institute, and the Institute for Women in Politics. Only funds for the McCormack Institute were sufficient to meet the materiality criterion. None of the state funds appropriated for public service that were reported by Northern Kentucky met the materiality criterion.

Wichita State and West Chester State Universities reported a total of \$3.4 million for debt service appropriations in FY1999. NKU received \$5.1 million for debt service in FY1999.

2.9 Western Kentucky University

Western Kentucky University is located in Bowling Green, a city of 50,000 approximately 110 miles south of Louisville. WKU provides associates, bachelors, and masters degree programs. Western Kentucky has 18 benchmark institutions to which it

is compared which are displayed in Exhibit 2-10, along with the number of headcount students and FTE students enrolled in FY 1998-99

Also displayed in Exhibit 2-10 are total state appropriations, the amounts received from tuition and fee revenues, the amounts appropriated for mandated research and public service programs, and any amounts appropriated in the operating budget for debt service. Western Kentucky University reported state appropriations for debt service.

In the fall of 1998, Western Kentucky University enrolled 14,866 headcount students, compared to a benchmark average of 13,363 and WKU enrolled 12,049 full-time equivalent students, compared to a benchmark average of 11,166. WKU is larger than the average benchmark institution. In FY1999 WKU received \$7,813 per FTES from public funds while the benchmark institutions reported receiving \$10,262.

None of the benchmark institutions or WKU reported any mandated research or public service funding that met the materiality criterion. WKU received \$3.9 million for debt service or \$325 per FTES and West Chester University received \$1.5 million in FY1999.

EXHIBIT 2-10
FY 1998-99 REVENUES FOR MANDATED PROGRAMS AND DEBT SERVICE
WESTERN KENTUCKY UNIVERSITY AND BENCHMARK INSTITUTIONS

	Head-count	FTEs	State Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Approp. For Debt
University of Arkansas at Little Rock	10,487	7,309	43,650,464	26,868,735	70,519,199	9,648	0
California State University-Fresno	18,101	15,124	126,843,386	40,556,755	167,400,141	11,069	0
University of Northern Iowa	13,545	11,863	89,003,469	37,447,252	126,450,721	10,659	0
Eastern Illinois University	11,735	10,437	59,110,327	36,934,538	96,044,865	9,202	0
Illinois State University	20,394	18,171	106,567,152	71,173,814	177,740,966	9,781	0
Western Illinois University	12,610	10,447	55,108,605	31,179,705	86,288,310	8,260	0
Ball State University	18,924	16,764	124,457,576	78,624,797	203,082,373	12,114	0
Indiana State University	10,970	9,340	78,158,781	34,850,561	113,009,342	12,100	0
Eastern Michigan University	22,463	16,010	79,863,515	76,927,600	156,791,115	9,793	0
Northern Michigan University	7,779	6,666	47,247,801	24,029,336	71,277,137	10,693	0
Central Missouri State University	10,763	8,596	54,303,804	27,471,430	81,775,234	9,513	0
Southeast Missouri State University	8,487	6,709	44,817,277	23,631,675	68,448,952	10,203	0
Appalachian State University	12,904	11,819	75,921,609	34,084,981	110,006,590	9,307	0
University of North Carolina at Greensboro	12,995	10,392	82,285,336	31,680,580	113,965,916	10,967	0
Western Carolina University	6,534	5,634	50,178,359	11,504,989	61,683,348	10,948	0
Bowling Green State University-Main Campus	17,735	15,929	75,148,103	99,979,560	175,127,663	10,994	0
Youngstown State University	12,533	10,090	46,802,964	44,901,625	91,704,589	9,089	0
West Chester University of Pennsylvania	11,578	9,692	40,591,993	50,677,724	91,269,717	9,417	1,511,911
AVERAGE	13,363	11,166	71,114,473	43,473,648	114,588,121	10,262	83,995
Western Kentucky University	14,866	12,049	58,072,500	36,066,600	94,139,100	7,813	3,923,200

2.10 Lexington Community College

Lexington Community College, an open admission institution, is located on the main campus of the University of Kentucky, and serves as the comprehensive community college for the University. Lexington Community College has 19 benchmark institutions to which it is compared and which are displayed in Exhibit 2-11, along with the number of headcount students and FTE students enrolled in FY 1998-99. Also displayed in Exhibit 2-11 are the total state appropriations, local appropriations, tuition and fee revenues, and any appropriations for mandated programs and debt service. LCC reported state appropriations for debt service.

In the fall of 1998, Lexington Community College enrolled 6,111 headcount students, compared to a benchmark average of 6,099, and LCC enrolled 4,548 full-time

equivalent students, compared to a benchmark average of 3,649. LCC enrolls slightly more headcount students than the average benchmark institution, and more of these students are full-time than the average benchmark institution, resulting in a higher number of full-time equivalent students at LCC.

In FY1999, LCC received \$3,679 per FTES from state appropriations and tuition revenues, while the benchmark colleges averaged \$6,464 per FTES from state and local appropriations and tuition revenues. During FY1998-99, LCC reported state appropriations of \$690,600 (or \$152 per FTES) for debt service. Only three of the benchmark institutions reported state or local appropriations for debt service: Prairie State (\$2.5 million), El Centro (\$1.8 million) and Normandale (\$0.3 million). No benchmark institution reported any state appropriations for mandated research or public service programs.

EXHIBIT 2-11 LEXINGTON COMMUNITY COLLEGE AND BENCHMARK INSTITUTIONS

Institution	Head-count	FTES	State Appropriations	Local Appropriations	Tuition and Fees	Total Public Funds	Public Funds/ FTES	Debt Service Approp.
Jefferson State Community College	5,137	3,177	12,831,523	129,000	6,315,146	19,275,669	6,067	0
Evergreen Valley College								
Manatee Community College	7,262	4,511	16,278,967	0	7,997,006	24,275,973	5,381	0
Polk Community College	5,557	3,007	12,402,589	0	6,057,169	18,459,758	6,139	0
Kapiolani Community College	7,236	4,287	15,446,509	0	9,093,642	24,540,151	5,724	0
Prairie State College	5,275	2,784	4,856,333	6,216,094	6,329,848	17,402,275	6,252	2,449,189
Bunker Hill Community College	6,417	3,671	18,044,377	0	9,838,559	27,882,936	7,595	0
Baltimore City Community College	5,974	3,407	19,760,637	0	8,399,406	28,160,043	8,266	0
Frederick Community College	4,294	2,342	4,191,900	6,507,345	7,822,077	18,521,322	7,908	0
Normandale Community College	6,664	4,055	14,142,102		10,173,973	24,316,075	5,997	321,341
Hudson County Community College	4,174	3,160	4,966,391	6,874,633	9,028,206	20,869,230	6,604	0
Dutchess Community College	6,422	4,029	8,728,297	9,473,418	11,921,902	30,123,617	7,476	0
Midlands Technical College	9,778	5,945	21,359,956	5,791,453	13,353,230	40,504,639	6,814	0
Pellissippi State Technical Community College	8,058	5,328	16,630,125	0	9,832,925	26,463,050	4,967	0
Shelby State Community College	4,542	2,857	15,575,954	0	4,907,456	20,483,410	7,169	0
El Centro College	4,003	2,056	10,199,530	6,245,310	3,774,039	20,218,879	9,832	1,788,406
J. Sargeant Reynolds Community College	10,069	4,906	16,672,415	127,250	10,198,822	26,998,487	5,503	0
South Puget Sound Community College	4,191	2,798	10,084,386	0	5,377,530	15,461,916	5,525	0
Tacoma Community College	4,721	3,359	13,276,709	0	7,336,425	20,613,134	6,137	0
AVERAGE	6,099	3,649	13,080,483	2,433,206	8,208,742	23,587,254	6,464	253,274
Lexington CC	6,111	4,548	6,955,822	0	9,773,204	16,729,026	3,679	690,600

2.11 Community and Technical College System

The Kentucky Community and Technical College System is comprised of 50 campuses located throughout the State that provide post-secondary education and workforce training to all Kentucky residents. The Kentucky Community and Technical College System has 239 benchmark institutions in nine states: Arkansas, Connecticut, Iowa, Minnesota, North Carolina, Ohio, South Carolina, Tennessee, and Virginia. The benchmark institutions for the KCTCS are displayed in Exhibit 212, along with the number of headcount students and FTE students enrolled in FY 1998-99. Also displayed in Exhibit 2-12 are the total state appropriations, local appropriations, tuition and fee revenues, and any public funds for mandated programs or debt service. Many of the technical or community colleges responding to the survey had special state appropriations for mandated programs that did not meet the materiality criterion of \$25 per student, and those are not included in the table.

In the fall of 1998, the benchmark institutions varied considerably in size from 234 headcount students to over 35,000 headcount students, almost as large as the entire Kentucky system. Likewise the two-year college systems in each benchmark state varied in size as measured both by the number of institutions in the system to the number of headcount students enrolled. In FY1999, the average benchmark system enrolled 88,239 students compared to 45,525 headcount students in the Kentucky system. Similarly, the average system enrolled 52,338 full-time equivalent students compared to 31,480 enrolled in the Kentucky system.

Exhibit 2-13 displays a listing of the mandated public service programs reported by the benchmark institutions. Also listed are the benchmarks that reported state- or local-funded debt service. The Ohio and North Carolina benchmarks and four institutions in Virginia reported state appropriations for mandated public service activities, while the KCTCS reported no state appropriations for mandated public service activities.

KCTCS reported more than \$10 million of state appropriations for debt service, an average of \$337 per student in FY1999. Among the benchmark states, the Iowa colleges and some Virginia institutions received local appropriations for debt service, and the Minnesota colleges received state appropriations for debt service.

EXHIBIT 2-12
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
AND BENCHMARK INSTITUTIONS/SYSTEMS

Institution	Head-count	FTEs	State Appropriations	Local Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Debt Service Approp.
Arkansas State University - Beebe Branch	3,000	2,135	10,403,223	0	3,624,149	14,027,372	6,571	0
East Arkansas Community College	1,914	961	5,460,660	0	939,326	6,399,986	6,657	0
Garland County Community College	2,029	1,226	6,169,736	0	1,634,534	7,804,270	6,367	0
Mid-South Community College	1,451	708	3,793,815	0	743,091	4,536,906	6,411	0
Mississippi County Community College	2,154	1,289	5,597,636	0	1,438,328	7,035,964	5,457	0
North Arkansas Community College	1,825	1,345	7,237,562	0	1,918,763	9,156,325	6,808	0
Northwest Arkansas Community College	3,517	1,961	4,720,596	2,065,642	3,806,790	10,593,028	5,402	0
Ouachita Technical College	788	519	3,047,946	0	737,921	3,785,867	7,299	0
Ozarka Technical College	774	570	2,813,450	0	544,412	3,357,862	5,891	0
Phillips Community College of the University of Arkansas	2,493	1,323	8,264,807	1,376,555	1,447,822	11,089,184	8,382	0
Rich Mountain Community College	821	414	2,904,138	202,966	512,040	3,619,144	8,735	0
South Arkansas Community College	1,203	738	5,646,714	0	1,079,084	6,725,798	9,109	0
Southeast Arkansas Technical College	1,687	1,031	4,956,388	0	1,139,054	6,095,442	5,912	0
Southern Arkansas Community College	837	521	6,324,756	0	759,722	7,084,478	13,598	0
Westark Community College	5,708	3,479	16,316,742	0	5,647,736	21,964,478	6,313	0
Subtotal, Arkansas Two Year Colleges	30,201	18,220	93,658,169	3,645,163	25,972,772	123,276,104	6,766	0
Asnuntuck Community-Technical College	1,913	846	5,921,456	0	2,045,025	7,966,481	9,413	0
Capital Community-Technical College	2,911	1,320	11,214,786	0	4,177,689	15,392,475	11,664	0
Gateway Community-Technical College	3,981	1,960	12,742,100	0	5,437,556	18,179,656	9,277	0
Housatonic Community-Technical College	3,551	1,660	9,200,407	0	4,501,046	13,701,453	8,252	0
Manchester Community-Technical College	5,252	2,761	16,746,408	0	6,936,037	23,682,445	8,576	0
Middlesex Community-Technical College	2,273	1,102	7,621,051	0	3,013,528	10,634,579	9,647	0
Naugatuck Community-Technical College	4,736	2,564	18,838,002	0	7,634,443	26,472,445	10,325	0
Northwestern Conn. Community-Technical College	1,743	850	7,226,639	0	1,942,363	9,169,002	10,791	0
Norwalk Community-Technical College	4,974	2,459	14,548,532	0	8,079,840	22,628,372	9,204	0
Quinebaug Community-Technical College	1,214	621	4,627,712	0	1,771,011	6,398,723	10,309	0
Three Rivers Community-Technical College	3,549	1,773	12,156,235	0	4,716,597	16,872,832	9,517	0
Tunxis Community-Technical College	3,257	1,639	10,111,245	0	4,480,170	14,591,415	8,903	0
Subtotal, Connecticut Two-Year Colleges	39,354	19,555	130,954,573	0	54,735,305	185,689,878	9,496	0
Des Moines Community College	10,306	6,451	22,026,912	5,794,860	17,918,365	45,740,137	7,090	0
Eastern Iowa Community College District	6,159	4,074	13,144,834	2,970,469	10,481,919	26,597,222	6,528	0
Hawkeye Community College	4,158	3,322	10,154,913	1,686,953	8,337,673	20,179,539	6,075	6,605
Indian Hills Community College	3,375	2,744	11,070,562	1,079,487	6,546,047	18,696,096	6,814	153,179
Iowa Central Community College	3,467	2,288	8,213,386	1,613,586	6,067,398	15,894,370	6,946	0
Iowa Lakes Community College	2,608	1,860	7,169,222	1,252,675	5,683,470	14,105,367	7,584	0
Iowa Valley Community College District	2,025	1,534	5,572,881	3,473,160	7,304,909	16,350,950	10,657	74,489
Iowa Western Community College	4,000	2,622	9,166,830	2,133,731	9,689,865	20,990,426	8,006	260,929
Kirkwood Community College	11,038	6,917	19,016,967	5,055,708	20,243,604	44,316,279	6,407	0
North Iowa Area Community College	2,722	2,080	8,102,882	2,445,294	5,475,509	16,023,685	7,704	0
Northeast Iowa Community College-Calmar	2,982	2,114	7,577,476	1,712,861	6,515,520	15,805,857	7,477	20,101
Northwest Iowa Community College	863	646	3,578,946	649,933	2,037,146	6,266,025	9,695	0
Southeastern Community College	2,575	1,875	6,205,934	1,016,880	5,134,940	12,357,754	6,591	188,140
Southwestern Community College	1,093	847	3,542,758	866,829	2,098,365	6,507,952	7,684	82,373
Western Iowa Tech Community College	4,096	2,502	8,313,344	2,000,685	6,965,014	17,279,043	6,906	0
Subtotal, Iowa Two-Year Colleges	61,467	41,877	142,857,847	33,753,111	120,499,744	297,110,702	7,095	785,816

EXHIBIT 2-12 (Continued)
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
AND BENCHMARK INSTITUTIONS

Institution	Head-count	FTEs	State Appropriations	Local Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Debt Service Approp.
Alexandria Technical College	2,061	1,750	10,127,781	0	5,381,475	15,509,256	8,864	31,240
Anoka-Hennepin Technical College	1,832	1,154	8,837,346	0	4,727,627	13,564,973	11,755	106,156
Anoka-Ramsey Community College	4,484	2,588	11,462,576	0	8,805,179	20,267,755	7,831	577,952
Central Lakes College-Brainerd	2,850	2,187	13,592,495	0	5,996,224	19,588,719	8,958	850,994
Century Community and Technical College	6,130	3,659	17,225,762	0	11,477,209	28,702,971	7,844	116,822
Dakota County Technical College	2,184	1,500	11,144,401	0	5,952,487	17,096,888	11,398	46,678
Fergus Falls Community College	1,549	1,034	3,975,903	0	2,545,697	6,521,600	6,305	104,002
Hennepin Technical College	5,641	3,044	22,251,844	0	7,659,012	29,910,856	9,827	0
Hibbing Community College	2,613	1,564	8,211,089	0	3,744,225	11,955,314	7,646	124,179
Inver Hills Community College	4,194	2,312	8,709,437	0	6,201,480	14,910,917	6,449	37,315
Itasca Community College	1,019	824	5,038,218	0	2,367,729	7,405,947	8,984	0
Lake Superior College	2,677	1,940	11,145,449	0	6,268,045	17,413,494	8,978	363,963
Lauretian Community and Technical College	2,221	1,807	8,842,176	0	5,191,848	14,034,024	7,766	41,574
Minneapolis Community and Technical College	5,476	3,233	19,082,029	0	10,490,018	29,572,047	9,146	192,001
Mn. West Community and Technical College	2,567	1,719	14,035,380	0	5,092,465	19,127,845	11,127	81,892
Normandale Community College	6,664	4,055	14,142,102	0	10,173,973	24,316,075	5,997	321,341
North Hennepin Community College	4,802	2,729	10,205,017	0	8,341,975	18,546,992	6,795	388,079
Northland Community and Technical College	1,799	1,148	8,133,194	0	3,047,376	11,180,570	9,736	172,961
Northwest Technical College	3,043	2,466	18,824,675	0	8,141,961	26,966,636	10,937	234,422
Pine Technical College	808	390	3,015,128	0	1,265,669	4,280,797	10,976	2,303
Rainy River Community College	596	401	2,826,808	0	932,645	3,759,453	9,367	65,210
Red Wing/Winona Technical College-Winona	1,326	988	6,685,509	0	2,909,600	9,595,109	9,712	152,582
Ridgewater Comm and Technical College	3,043	2,466	15,474,255	0	7,401,880	22,876,135	9,278	138,028
Riverland Community College	2,408	1,620	11,879,782	0	4,853,998	16,733,780	10,329	230,830
Rochester Community and Technical College	4,339	3,027	13,909,973	0	8,051,614	21,961,587	7,255	208,278
Saint Cloud Technical College	2,653	1,988	9,271,396	0	4,626,271	13,897,667	6,990	27,550
South Central Technical College-Mankato	2,591	1,766	12,489,837	0	6,166,936	18,656,773	10,566	0
St. Paul Technical College	4,552	2,317	14,043,042	0	6,229,932	20,272,974	8,751	13,605
Subtotal, Minnesota Two-Year Colleges	86,122	55,675	314,582,604	0	164,044,550	478,627,154	8,597	4,629,957
Alamance Community College	3,504	1,959	11,661,555	1,643,363	138,115	13,443,033	6,863	0
Anson Community College	1,676	1,037	5,758,007	364,683	576,835	6,699,525	6,458	0
Asheville Buncombe Technical College	4,538	2,511	11,949,700	3,258,886	2,565,812	17,774,398	7,080	0
Beaufort County Community College	1,516	935	6,131,016	976,509	934,361	8,041,886	8,604	0
Bladen Community College	828	574	4,310,514	557,544	48,668	4,916,726	8,566	0
Blue Ridge Community College	1,739	993	7,339,430	1,473,622	1,204,880	10,017,932	10,089	0
Brunswick Community College	835	531	3,772,736	1,029,650	543,332	5,345,718	10,067	0
Caldwell Comm College and Technical Institute	2,983	1,841	11,268,270	2,048,878	1,634,614	14,951,762	8,122	0
Cape Fear Community College	4,590	2,950	15,353,542	2,359,524	2,868,517	20,581,583	6,977	0
Carteret Community College	1,379	832	6,284,269	881,259	616,272	7,781,800	9,357	0
Catawba Valley Community College	3,546	2,029	12,730,316	1,730,000	2,495,423	16,955,739	8,355	0
Central Carolina Community College	3,303	2,143	13,113,485	1,943,390	1,399,596	16,456,471	7,679	0
Central Piedmont Community College	14,901	7,686	38,749,052	10,425,147	910,164	50,084,363	6,517	0
Cleveland Community College	2,131	1,203	7,695,550	870,460	856,828	9,422,838	7,833	0

EXHIBIT 2-12 (Continued)
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
AND BENCHMARK INSTITUTIONS

Institution	Head-count	FTEs	State Appropriations	Local Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Debt Service Approp.
College of the Albermarle	2,069	1,252	8,664,340	845,337	1,287,299	10,796,976	8,621	0
Coastal Carolina Community College	3,636	2,321	14,340,724	1,591,085	2,385,023	18,316,832	7,893	0
Craven Community College	2,366	1,425	7,645,228	1,838,249	1,671,037	11,154,514	7,830	0
Davidson County Community College	2,366	1,360	10,050,863	2,000,493	186,573	12,237,929	8,998	0
Durham Technical Community College	5,302	2,548	11,633,691	2,391,705	2,504,152	16,529,548	6,487	0
Edgecombe Community College	1,784	1,051	7,785,900	632,300	724,598	9,142,798	8,702	0
Fayetteville Technical Community College	7,599	4,558	28,941,802	5,564,640	4,587,686	39,094,128	8,578	0
Forsyth Technical Community College	5,225	2,846	13,723,940	5,496,000	3,200,047	22,419,987	7,879	0
Gaston College	4,023	2,412	12,687,403	2,510,321	2,083,157	17,280,881	7,164	0
Guilford Technical Community College	7,406	4,425	19,428,766	5,868,011	4,573,359	29,870,136	6,750	0
Haywood Community College	1,674	1,066	6,918,428	1,344,987	1,106,959	9,370,374	8,790	0
Isothermal Community College	1,832	1,097	6,268,964	1,032,180	1,182,798	8,483,942	7,736	0
James Sprunt Community College	1,129	725	5,506,910	794,376	555,358	6,856,644	9,457	0
Johnston Community College	2,529	1,672	11,279,668	1,582,276	1,237,770	14,099,714	8,435	0
Lenoir Community College	2,127	1,402	9,794,185	1,500,000	1,350,598	12,644,783	9,017	0
Martin Community College	626	439	5,123,472	741,041	481,442	6,345,955	14,466	0
Mayland Community College	717	452	4,950,824	469,770	49,744	5,470,338	12,094	0
McDowell Technical Community College	992	610	5,467,911	441,336	473,595	6,382,842	10,464	0
Mitchell Community College	1,637	1,024	6,870,692	1,213,855	998,577	9,083,124	8,873	0
Montgomery Community College	626	364	3,620,141	567,449	518,042	4,705,632	12,928	0
Nash Community College	1,997	1,170	7,380,330	913,759	831,632	9,125,721	7,798	0
Pamlico Community College	234	141	2,634,596	217,329	173,018	3,024,943	21,403	0
Piedmont Community College	1,429	790	6,207,835	856,117	957,970	8,021,922	10,159	0
Pitt Community College	4,802	3,022	12,023,530	2,064,825	2,512,041	16,600,396	5,493	0
Randolf Community College	1,662	951	6,492,876	1,152,872	894,624	8,540,372	8,977	0
Richmond Community College	1,324	915	6,840,811	842,787	48,418	7,732,016	8,453	0
Roanoke-Chowan Community College	884	595	4,100,944	467,237	512,110	5,080,291	8,543	0
Robeson Community College	1,655	1,109	8,787,762	1,077,769	1,123,346	10,988,877	9,909	0
Rockingham Community College	1,885	1,196	7,476,001	1,764,600	1,313,558	10,554,159	8,822	0
Rowan-Cabarrus Community College	3,983	2,286	13,694,519	1,888,577	2,215,185	17,798,281	7,787	0
Sampson Community College	1,212	769	5,865,359	746,914	476,379	7,088,652	9,214	0
Sandhills Community College	2,645	1,824	12,633,501	2,215,400	1,588,830	16,437,731	9,010	0
Southeastern Community College	1,733	1,176	8,736,277	1,116,433	960,377	10,813,087	9,192	0
Southwestern Community College	1,651	1,112	7,905,273	949,263	954,865	9,809,401	8,819	0
Stanly Community College	1,362	853	6,280,547	1,022,424	753,131	8,056,102	9,441	0
Surry Community College	2,598	1,631	9,164,084	1,145,000	1,616,330	11,925,414	7,310	0
Tri-County Community College	1,034	600	3,879,583	312,040	695,425	4,887,048	8,145	0
Vance-Granville Community College	3,197	1,937	11,945,685	981,843	30,540	12,958,068	6,690	0
Wake Technical Community College	8,186	4,743	20,556,363	6,800,000	4,321,333	31,677,696	6,678	0
Wayne Community College	2,853	1,919	10,069,336	1,664,783	1,492,794	13,226,913	6,893	0
Western Piedmont Community College	2,300	1,350	9,384,612	1,285,200	1,097,155	11,766,967	8,716	0
Wilkes Community College	1,948	1,271	8,984,689	1,887,384	960,741	11,832,814	9,307	0
Wilson Technical Community College	1,444	909	7,545,744	908,381	794,484	9,248,609	10,178	0
Subtotal, North Carolina CC System	155,152	92,542	555,411,551	100,269,263	74,275,517	729,956,331	7,888	0

EXHIBIT 2-12 (Continued)
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
AND BENCHMARK INSTITUTIONS

Institution	Head-count	FTEs	State Appropriations	Local Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Debt Service Approp.
Belmont Technical College	1,653	1,247	4,626,766	0	3,330,348	7,957,114	6,381	0
Bowling Green State University-Firelands	1,228	789	3,652,733	0	3,581,890	7,234,623	9,173	0
Central Ohio Technical College	1,716	1,005	4,059,229	0	3,244,324	7,303,553	7,270	0
Cincinnati State Technical Community College	6,143	3,610	16,470,318	0	16,127,858	32,598,176	9,029	0
Clark State Community College	2,438	1,424	6,564,349	0	5,302,876	11,867,225	8,334	0
Columbus State Community College	16,600	9,511	33,070,151	0	33,467,959	66,538,110	6,996	0
Cuyahoga Community College District	18,415	10,196	40,401,562	48,150,373	25,799,559	114,351,494	11,216	0
Edison State Community College	2,509	1,398	4,982,722	0	4,368,405	9,351,127	6,687	0
Hocking Technical College	4,684	3,704	16,605,375	0	10,768,109	27,373,484	7,390	0
Jefferson Community College	1,335	943	3,693,192	1,086,637	2,243,961	7,023,790	7,448	0
Kent State University-Ashtabula Campus	1,218	759	2,702,597	0	2,999,568	5,702,165	7,509	0
Kent State University-East Liverpool Campus	658	454	2,200,112	0	1,946,002	4,146,114	9,132	0
Kent State University-Geauga Campus	526	291	1,010,953	0	1,339,982	2,350,935	8,088	0
Kent State University-Salem Regional Campus	895	593	2,143,340	0	2,422,629	4,565,969	7,700	0
Kent State University-Stark Campus	2,627	1,777	5,811,281	0	7,307,252	13,118,533	7,382	0
Kent State University-Trumbull Campus	2,182	1,299	4,367,843	0	6,041,941	10,409,784	8,016	0
Kent State University-Tuscarawas Campus	1,572	1,069	3,572,353	0	4,298,932	7,871,285	7,361	0
Lakeland Community College	8,267	4,433	14,280,142	10,392,767	11,280,009	35,952,918	8,110	0
Lima Technical College	2,456	1,733	6,699,952	0	6,197,672	12,897,624	7,444	0
Lorain County Community College	6,798	3,807	13,413,457	4,046,529	10,101,901	27,561,887	7,239	0
Marion Technical College	1,789	1,094	3,444,474	0	3,080,678	6,525,152	5,963	0
Miami University-Hamilton	2,670	1,565	5,665,785	0	6,729,826	12,395,611	7,919	0
Miami University-Middletown	2,529	1,564	6,565,271	0	6,948,641	13,513,912	8,639	0
Muskingum Area Technical College	2,151	1,413	6,061,191	32,432	3,686,648	9,780,271	6,922	0
North Central Technical College	2,714	1,479	7,706,181	0	5,019,067	12,725,248	8,602	0
Northwest State Community College	2,388	1,398	4,357,749	0	4,774,590	9,132,339	6,532	0
Ohio State U Agricultural Technical Institution	965	881	4,514,115	0	3,185,003	7,699,118	8,739	0
Owens Community College	14,071	7,217	21,819,414	0	16,035,069	37,854,483	5,245	0
Sinclair Community College	17,325	9,749	33,630,046	18,401,602	18,624,063	70,655,711	7,247	0
Southern State Community College	1,582	1,033	3,509,009	278,378	3,092,720	6,880,107	6,658	0
Stark State College of Technology	4,665	2,570	9,269,133	0	8,067,833	17,336,966	6,747	0
Terra State Community College	2,630	1,565	6,276,394	0	4,855,226	11,131,620	7,114	0
University of Akron-Wayne College	1,653	986	2,830,195	0	4,730,035	7,560,230	7,670	0
University of Cincinnati-Clermont College	2,036	1,330	4,251,906	0	4,949,613	9,201,519	6,918	0
U of Cincinnati-Raymond Walters College	3,465	2,098	7,180,271	0	9,033,193	16,213,464	7,729	0
Washington State Community College	1,935	1,380	4,594,986	0	4,617,857	9,212,843	6,674	0
Wright State University-Lake Campus	620	454	1,945,890	0	2,082,631	4,028,521	8,873	0
Subtotal, Ohio Two-Year Campuses	149,108	87,819	323,950,437	82,388,718	271,683,870	678,023,025	7,721	0
Aiken Tech	2,343	1,369	5,663,320	1,101,079	2,640,641	9,405,040	6,870	0
Central Carolina Technical College	2,356	1,358	6,500,266	947,065	2,702,003	10,149,334	7,474	0
Chesterfield-Marlboro Technical College	1,112	673	2,783,155	345,052	1,365,396	4,493,603	6,674	0
Denmark Technical College	1,189	853	3,559,468	12,300	1,141,793	4,713,561	5,526	0
Florence Darlington Technical College	3,472	2,403	8,871,884	2,551,183	6,112,822	17,535,889	7,299	0
Greenville Technical College	9,442	5,635	20,412,394	5,160,540	14,779,602	40,352,536	7,161	0
Horry-Georgetown Technical College	3,587	2,303	8,464,966	1,525,681	4,196,758	14,187,405	6,160	0
Midlands Technical College	9,778	5,945	21,359,956	5,791,453	13,353,230	40,504,639	6,814	0
Orangeburg Calhoun Technical College	1,928	1,261	6,106,918	894,110	2,884,053	9,885,081	7,837	0

EXHIBIT 2-12 (Continued)
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
AND BENCHMARK INSTITUTIONS

Institution	Head-count	FTEs	State Appropriations	Local Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Public Service Approp.	Debt Service Approp.
Piedmont Technical College	3,715	2,152	8,314,492	1,064,325	5,748,523	15,127,340	7,031	0	0
Spartanburg Technical College	2,911	1,996	7,637,402	1,518,425	3,980,480	13,136,307	6,582	0	0
Technical College of the Low Country	1,762	918	4,280,283	645,815	1,403,958	6,330,056	6,895	0	0
Tri-County Technical College	3,642	2,337	8,852,918	2,586,737	4,085,688	15,525,343	6,642	0	0
Trident Technical College	9,106	5,209	20,495,808	4,936,853	10,608,159	36,040,820	6,919	0	0
University of South Carolina at Beaufort	915	525	2,372,261	0	1,651,198	4,023,459	7,664	0	0
University of South Carolina at Lancaster	865	538	2,965,224	0	1,096,774	4,061,998	7,555	0	0
University of South Carolina at Salkehatchie	752	447	2,517,640	0	1,144,591	3,662,231	8,187	0	0
University of South Carolina at Sumter	1,047	650	4,262,905	0	1,973,892	6,236,797	9,590	0	0
University of South Carolina at Union	330	186	1,127,758	0	374,337	1,502,095	8,076	0	0
Williamsburg Technical College	573	346	2,013,568	228,797	546,495	2,788,860	8,053	0	0
York Technical College	3,427	2,050	8,579,512	1,885,000	5,352,227	15,816,739	7,717	0	0
Subtotal, South Carolina two-year colleges	64,252	39,153	157,142,098	31,194,415	87,142,620	275,479,133	7,036	0	0
Chattanooga State Technical Community College	8,359	5,157	19,662,437	0	9,210,079	28,872,516	5,599	0	0
Cleveland State Community College	3,330	2,164	8,607,300	0	3,106,297	11,713,597	5,413	0	0
Columbia State Community College	4,366	2,913	10,260,377	0	4,764,751	15,025,128	5,157	0	0
Dyersburg State Community College	2,265	1,545	5,559,494	0	2,462,931	8,022,425	5,193	0	0
Jackson State Community College	3,628	2,411	9,120,625	0	3,995,174	13,115,799	5,439	0	0
Motlow State Community College	3,365	2,304	7,882,602	0	3,519,775	11,402,377	4,948	0	0
Nashville State Technical Institute	7,271	3,588	11,184,836	0	6,040,400	17,225,236	4,801	0	0
Northeast State Technical Community College	3,961	2,576	8,712,831	0	3,909,588	12,622,419	4,901	0	0
Pellissippi State Technical Community College	8,058	5,328	16,630,125	0	9,832,925	26,463,050	4,967	0	0
Roane State Community College	5,366	3,668	14,330,388	0	5,899,922	20,230,310	5,515	0	0
Shelby State Community College	4,542	2,857	15,575,954	0	4,907,456	20,483,410	7,169	0	0
State Technical Institute at Memphis	8,835	4,548	18,620,150	0	8,308,559	26,928,709	5,921	0	0
Volunteer State Community College	6,718	4,321	14,323,000	0	6,901,283	21,224,283	4,912	0	0
Walters State Community College	5,900	3,807	14,357,900	0	5,488,802	19,846,702	5,214	0	0
Subtotal, Tennessee Two-Year Colleges	75,964	47,188	174,828,019	0	78,347,942	253,175,961	5,365	0	0
Blue Ridge Community College	2,772	1,470	5,041,267	16,301	3,667,124	8,724,692	5,935	0	0
Central Virginia Community College	3,927	1,901	6,648,011	6,057	3,364,533	10,018,601	5,270	95,438	0
Dabney Lancaster Community College	1,473	770	3,782,434	22,839	1,273,696	5,078,969	6,593	0	0
Danville Community College	3,367	1,768	6,545,202	25,000	2,809,255	9,379,457	5,306	0	0
Eastern Shore Community College	694	353	2,298,418	0	616,608	2,915,026	8,250	0	0
Germanna Community College	3,675	1,848	5,773,363	40,405	3,056,625	8,870,393	4,801	0	0
J. Sargeant Reynolds Community College	10,069	4,906	16,672,415	127,250	10,198,822	26,998,487	5,503	0	0
John Tyler Community College	5,237	2,483	8,055,652	59,681	5,357,481	13,472,814	5,426	0	0
Lord Fairfax Community College	3,590	1,869	5,551,273	136,289	3,225,808	8,913,370	4,768	0	0
Mountain Empire Community College	2,812	1,736	5,904,896	80,465	3,035,460	9,020,821	5,196	125,630	123,197
New River Community College	3,595	2,231	7,467,524	54,275	3,762,604	11,284,403	5,058	0	0
Northern Virginia Community College	36,216	18,465	49,796,493	187,429	43,275,016	93,258,938	5,051	6,085,833	1,240,173
Patrick Henry Community College	2,689	1,341	4,963,319	52,600	2,205,378	7,221,297	5,385	0	0
Paul D. Camp Community College	1,455	706	4,287,814	22,000	1,298,566	5,608,380	7,948	200,000	0
Piedmont Virginia Community College	4,059	1,900	6,063,409	21,881	3,276,760	9,362,050	4,927	0	0

EXHIBIT 2-12 (Continued)
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
AND BENCHMARK INSTITUTIONS

Institution	Head-count	FTEs	State Appropriations	Local Appropriations	Tuition and Fees	Total Public Funds	Public Funds/FTEs	Public Service Approp.	Debt Service Approp.
Rappahannock Community College	1,560	763	4,553,720	88,096	1,674,280	6,316,096	8,282	0	0
Richard Bland College of William and Mary	1,322	981	3,561,014	0	2,115,027	5,676,041	5,788	0	0
Southside Virginia Community College	3,273	1,569	6,126,389	30,698	2,901,884	9,058,971	5,774	0	0
Southwest Virginia Community College	3,938	2,466	9,268,012	63,894	3,825,274	13,157,180	5,335	0	0
Thomas Nelson Community College	7,059	3,530	10,781,789	0	6,289,920	17,071,709	4,837	0	0
Tidewater Community College	18,260	9,865	31,187,126	223,000	20,514,763	51,924,889	5,264	0	0
Virginia Highlands Community College	2,069	1,250	5,083,529	59,950	2,098,836	7,242,315	5,792	0	0
Virginia Western Community College	7,092	3,519	10,550,826	16,310	5,792,345	16,359,481	4,648	0	0
Wytheville Community College	2,328	1,326	6,220,451	154,348	2,322,841	8,697,640	6,559	29,383	0
Subtotal, Virginia Community Colleges	132,531	69,016	226,184,346	1,488,768	137,958,906	365,632,020	5,298	6,536,284	1,363,370
INSTITUTIONAL AVERAGE	3,561	2,112	9,504,797	1,133,361	4,550,050	15,188,208	7,190	29,311	30,400
SYSTEM AVERAGE	88,239	52,338	235,507,738	28,082,160	112,740,136	376,330,034	7,190	726,254	753,238
Kentucky Community and Technical College System	45,525	31,480	158,683,900	0	51,589,900	210,273,800	6,680	0	10,613,400

EXHIBIT 2-13
LISTING OF MANDATED PROGRAMS AND STATE-FUNDED DEBT SERVICE
COMMUNITY AND TECHNICAL COLLEGES

RESEARCH PROGRAMS	PUBLIC SERVICE PROGRAMS	INSTITUTIONS WITH STATE and LOCAL APPROPRIATIONS FOR OPERATING BUDGET DEBT SERVICE
NONE LISTED	Cooperative Extension Service Continuing Education Workforce Training	Iowa Community College System (local appropriations only) Minnesota Community College System Mountain Empire College (VA) Northern Virginia Community College

CHAPTER 3.0
SUMMARY AND RECOMMENDATIONS

3.0 SUMMARY AND RECOMMENDATIONS

This chapter summarizes the results of the surveys of mandated research and public service programs and debt service funding, and provides a list of issues that arose during the survey. In addition, recommendations are included for the amount of state appropriations in support of mandated programs to be excluded for each Kentucky public university and the community college system; and for their benchmark institutions and states; and for the amount of state appropriations in support of debt service to be excluded for each benchmark institution and state. A final section details recommendations for incorporating the results of the surveys into the Council's benchmark funding model.

3.1 Summary

A survey of both Kentucky institutions and their benchmark institutions was conducted to identify specifically the state general fund amounts reported for mandated research and public service activities and debt service through the IPEDS finance survey, which serves as the basis for the benchmark funding approach. Institutions had to be surveyed because the current IPEDS finance survey, while extremely useful for inter-institutional comparisons, does not collect data at a sufficient level of detail to permit this refined level of analysis.

For the purposes of the survey, definitions of mandated research and public service activities and debt service were developed. In these discussions, full-time equivalent students are calculated as the sum of the full-time headcount students plus one-third the part-time students. **Research** includes funds to be expended for activities specifically organized to produce non-instructional research outcomes, including Agricultural and Engineering Experiment Stations. **Public Service** includes funds to be

expended to provide non-instructional services beneficial to groups external to the institution. “**Mandated research or public service** activities” are defined as those that must have an external legal mandate, either through statute, resolution, or executive order (e.g., state law requiring maintenance of an arboretum on campus) and receive appropriations greater than \$25 per FTE student.

Also, the activities should meet most of the following criteria:

- the activity is not integral to the “instructional” mission of the institution;
- the activity is relatively unique among institutions in the state (e.g., cooperative extension service or agriculture experiment station);
- the activity is “program-funded” or has a specific line item appropriation for carrying out its purposes (e.g., State Institute for Research on Exceptional Children);
- the activity could be operated by an agency other than a state college or university (e.g., running the state’s Natural History Museum);
- the activity is funded primarily with state general funds appropriations (do not include activities that are funded primarily by other sources of revenue such as state contracts or grants).

For this study, **debt service** is defined as state general funds appropriated directly to the institution for servicing principal and interest on debt issued for land, equipment, or buildings.

A survey that collected data both on mandated programs and debt service was sent to the institutions identified as benchmarks for the Kentucky colleges and universities. A total of 361 benchmark institutions received surveys, and data were obtained for 360 or 99.7 percent. Of the 106 benchmark universities, 21 institutions (19 are benchmarks for either the University of Kentucky or University of Louisville) reported receiving state appropriations for mandated research activities. All of these institutions had at least one research activity that met the materiality criterion of \$25 per full-time equivalent student. Similarly, 16 institutions (13 UK or UL benchmarks) reported state

appropriations for mandated public service activities. The majority of these activities were associated with the land grant or medical missions of the universities, and are displayed in Exhibit 3-1. In addition, six benchmark universities reported state appropriations for debt service within the operating budget. It should be noted that the list of programs includes all that were reported, including those that did not meet the materiality criterion for mandated programs.

**EXHIBIT 3-1
LISTING OF MANDATED PROGRAMS AND STATE-FUNDED DEBT SERVICE
ALL BENCHMARK INSTITUTIONS**

RESEARCH PROGRAMS	PUBLIC SERVICE PROGRAMS	INSTITUTIONS WITH STATE and LOCAL APPROPRIATIONS FOR OPERATING BUDGET DEBT SERVICE
Agriculture Experiment Station Engineering Experiment Station Veterinary Medicine Experiment Station Veterinary Medicine Agriculture Research Experimental Farm Agricultural Research Research Administration Center on Aging/Gerontology Institute Biotechnology Transfer Prostate Cancer Research Diabetes Research Industrial and Economic Development Fishery Resource Forestry Research Center for Governmental Studies Marine Institute Youth Gang prevention Center on Urban Development Labor Center Massey Center Psychiatric Lab Molecular Medicine Manufacturing Research Chemical Toxicology Research Challenge Phosphate Research Sea Grant Institute of Mental Health Gaston Institute Trotter Institute Joiner Center	Cooperative Extension Service Marine Extension Service Arboretum Business and Manufacturing Extension Death Investigation State Laboratory of Hygiene Foundation for the Humanities Area Health Education Center (AHEC) Medical Aid Minority Business Enterprises Veterinary Laboratories Autism Program Environmental Center Executive Institute Gang Prevention Project Jobs Challenge Kidney Program State Health Laboratory Psychiatric Public Service College Day Asian American Institute Family and Community Violence McCormack Institute Institute for Women in Politics Workforce Training	Prairie State College (IL) Purdue University – Main Campus (IN) Iowa Community College System (local appropriations only) Wichita State University (KS) Minnesota Community College System SUNY - Brockport West Chester University (PA) University of Texas Austin Mountain Empire College (VA) Northern Virginia Community College University of Wisconsin – Madison

Also listed in Exhibit 3-1 are the technical and community college mandated public service programs reported by the benchmark institutions; and those institutions or systems providing operating budget state or local appropriations for debt service. None of the two-year benchmarks reported mandated research programs.

Of the 19 benchmark colleges for Lexington Community College, 18 responded to the survey, a 94.7 percent response rate. None of LCC's benchmark institutions reported state appropriations for mandated research or public service activities, while Prairie State College, Normandale Community College (a part of the Minnesota community and technical college system) and LCC received state appropriations for debt service.

Data were obtained for all of the 239 community and technical colleges in nine states that are benchmarks for the Kentucky Community and Technical College System. During FY 1999, the Ohio and North Carolina technical and community college benchmarks and four institutions in Virginia reported state appropriations for mandated public service activities. The two-year benchmarks in Iowa and Virginia received local appropriations for debt service while the Minnesota benchmarks received state appropriations in the operating budget for debt service.

The University of Kentucky reported state appropriations for mandated research programs; University of Kentucky, University of Louisville, Morehead State University, Murray State University, and Northern Kentucky University reported mandated public service programs. Each Kentucky university, Lexington Community College, and the community and technical college system all reported state appropriations to the operating budget for debt service. Exhibit 3-2 displays the average per FTE student amounts appropriated to the Kentucky universities and colleges for mandated activities that met the materiality criterion; and for debt service in FY 1998-99.

**EXHIBIT 3-2
FY 1998-1999 APPROPRIATIONS PER FULL-TIME EQUIVALENT STUDENT
FOR MANDATED PROGRAMS AND DEBT SERVICE,
KENTUCKY INSTITUTIONS AND THEIR BENCHMARKS**

	FTES	State Apps. & Tuition per FTE	Research Apps. Per FTE	Public Service per FTE	Debt Service Approp. Per FTE
Average, UK Benchmarks	32,675	16,619	514	423	97
U of Kentucky	20,555	18,412	1,110	1,758	584
Average, UL Benchmarks	18,111	16,294	157	61	0
U of Louisville	15,242	14,962	0	1,071	745
Average, ECU Benchmarks	11,166	10,262	0	0	12
Eastern Kentucky University	12,456	7,869	0	0	426
Average, KSU Benchmarks	3,964	10,431	0	23	0
Kentucky State University	1,855	14,467	0	0	1,199
Average, Morehead Benchmarks	6,719	9,633	0	0	70
Morehead State University	6,746	8,882	0	0	316
Average, Murray Benchmarks	8,631	10,511	0	25	0
Murray State University	7,503	9,699	0	301	452
Average, NKU Benchmarks	10,351	10,156	8	3	17
Northern Kentucky University	9,164	7,692	0	0	552
Average, WKU Benchmarks	11,166	10,262	0	0	12
Western Kentucky University	12,049	7,813	0	0	325
Average, LCC Benchmarks	3,649	6,464	0	0	69
Lexington Community College	4,548	3,679	0	0	152
Average, CTCS Benchmarks	52,338	7,190	0	14	14
Community and Technical Colleges	31,480	6,680	0	0	337

3.2 Issues In Mandated Programs/Debt Service Study

As the surveys were being completed by the benchmark institutions and systems, and by the Kentucky institutions, several questions of interpretation arose. Because these issues impact directly on the amounts of mandated research and public service funding reported by the institutions, each of the major issues are addressed in the following paragraphs.

1. *Where/how should the “materiality” criterion be applied? At the program or activity? Or in total for an institution?*

In the instructions for the survey instrument, benchmark and Kentucky institutions were directed to exclude from the report any mandated research or public service programs that did not total an amount equal to at least \$25 per full-time equivalent student. Several of the benchmark institutions interpreted this instruction to mean that the total appropriation for all mandated research activities or all mandated public service activities exceeded \$25. Other institutions interpreted the instruction to mean that any one activity must receive funding equivalent to \$25 per student. In addition, there were questions on whether the student count was “headcount” or “full-time equivalent” students.

RECOMMENDATION: Almost all institutions reported according to the definitions given to exclude any program or activity that does not receive at least \$25 per FTES. Therefore, to be consistent across all respondents, the criterion used in the survey is at the program or activity level. Therefore, only those mandated research or public service activities for which state appropriations exceed \$25 per full-time equivalent student are to be considered. This is called the materiality criterion.

2. *Some institutions are reporting local appropriations for mandated programs. Should these local appropriations all be excluded?*

Four-year colleges and universities typically do not receive local appropriations from city, county, or other taxing authorities. Exceptions are found where the college or university is a city- or county-sponsored and funded institution, such as City University of New York; or when a county provides funding for county extension agents that are employed by cooperative extension or engineering extension services. However, two-year colleges may be funded by a combination of state and local appropriations, especially in equalized funding methods or formulas. Illinois is an example of a state that offsets state appropriations to two-year colleges by an amount determined by the local taxing district's ability to raise resources. In these cases, the local appropriation actually is "in place of" the state appropriation. However, some of the institutions responding interpreted "local" appropriations to include gifts made to the institution, as well as sales of education-related activities.

RECOMMENDATION: Local appropriations should be counted just like state appropriations for two-year colleges, but excluded for four-year. For two-year colleges, many states use an ability to pay criterion in determination of the amount of state appropriations; i.e., the funding level is the sum of state and local appropriations, where local appropriations take the place of state appropriations for college districts that are more fiscally able. Only when the respondent institution has misinterpreted "local" appropriations are these revenues excluded; for example, book store profits should not be included, since these funds are not appropriated.

3. *Many two-year institutions are reporting local appropriations for debt service. Should these funds all be counted like state appropriations for debt service?*

RECOMMENDATION: Local appropriations for debt service that are made to the operating budget of the institution, but not to the capital budget, should be counted just like state appropriations. In some states, only appropriations from a local taxing authority may be used to service debt.

4. *Definitional issues related to debt service came up. Some institutions reported state funding for equipment purchases and for debt service in the capital as opposed to the operating budget of the institution.*

- a. *Should equipment be excluded?*
- b. *Should state appropriations for debt service in the capital budget be excluded?*

RECOMMENDATIONS:

- a. Revenue to purchase equipment generally does not meet the definition of “debt service” and should not be considered appropriations for debt. However, if bonds are sold to purchase equipment, and the appropriations are made specifically to service the debt on those bonds, then these revenues would fit the definition of debt service.
- b. Only state and local appropriations included in the operating budget were to be included in the survey, and to include capital budget appropriations would result in a lack of consistency.

3.3 **Recommendations**

The overarching goal of the benchmark process is to establish a per student level of support for each Kentucky institution that is comparable to that received by a set of out-of-state peer or “benchmark” institutions. Implicit in the comparison of Kentucky institutions to their benchmark institutions is the understanding that the institutions are

funded to carry out the same or similar missions through similar activities. Activities that are defined by the National Association of College and University Business Officers (NACUBO) as being conducted for constituencies other than students logically would be excluded from comparisons of “per student” funding.

However, initial implementation of the benchmark process revealed that there are certain revenues received by both the Kentucky and the benchmark institutions that are unique, or not received by all institutions within the benchmark group. For example, some institutions receive appropriations for servicing debt, while other institutions have all buildings constructed and paid for by another state agency. Some institutions that are in the University of Kentucky’s benchmark group do not have agriculture experiment stations.

Therefore, to compare funding per student, it is essential that “apples get compared to apples” and “oranges get compared to oranges.” The overarching recommendations that follow are designed to enhance comparability between the benchmark and Kentucky institutions.

RECOMMENDATION 1:

State appropriations for unique mandated research and public service programs and state and local appropriations for debt service in the operating budget should be excluded from the benchmark funding calculation.

To compare “apples to apples,” all the non-apples must be removed from the basket. Each state funding system is unique in some way, and it is difficult to consider all the nuances that public policy makers include in appropriations. To ensure the best possible comparisons between institutions, those items that are unique should be removed.

RECOMMENDATION 2:

All state appropriations for Agriculture Experiment Stations, Engineering Experiment Stations, and Cooperative Extension Services should be excluded from the benchmark funding calculation.

Not all the institutions in either the University of Kentucky's or the University of Louisville's benchmark comparison group have experiment stations or cooperative extension services. To improve the comparability of per student funding, then it is logical to remove these revenues from the comparison.

RECOMMENDATION 3:

State and local appropriations for continuing education programs should not be excluded from the benchmark funding calculation.

This recommendation is made because many of the benchmark institutions include state appropriations for continuing education programs in either the Instruction program area, or in Auxiliary Enterprises. Other institutions include those resources in the Public Service program. If funds are excluded in only some of the cases, then the treatment would be inconsistent.

RECOMMENDATION 4:

Only state appropriations for mandated research and public service programs that meet the materiality criterion should be excluded from the benchmark calculations for four-year institutions, and state and local appropriations for the two-year institutions.

Some of the responding institutions, and some of the Kentucky institutions, included all state appropriations for mandated research and public service activities, whether or not the revenues for those activities were at least \$25 per student. Other institutions followed the instructions. To be consistent in the treatment of these activities, only those that meet the materiality criterion at the activity level should be considered. As a result of this recommendation, the only activities recommended for

exclusion were those that met the materiality criterion. As a result of applying this criterion, the following activities would not be excluded:

Northern Kentucky University:	Environmental Resource Management Center Small Business Development Center Local Government Law Center Technical Services Institute Governor's Scholars Program Elderhostel Community Education
University of Louisville:	Labor Management Center Glasgow Residency Program State Autism Center Kentucky Cancer Program Area Health Education Center

RECOMMENDATION 5:

Determination of whether to exclude from the benchmark calculation state appropriations for mandated research and public service programs other than Agriculture Experiment Stations, Engineering Experiment Stations, and Cooperative Extension Services should be made on a case by case basis applying the criteria set forth in the survey.

Examination of each item will determine whether the activity actually is unique, and would hinder comparability. As a result of this recommendation, certain activities of the Kentucky institutions that may meet the materiality criterion, would not be excluded from the calculation. This includes the following activities:

Morehead State University	Kentucky Folk Art Center
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RECOMMENDATION 6:

Only state and local appropriations for debt service made to the operating budgets of institutions should be excluded from the benchmark calculations.

Each state has something unique about the way in which it funds (or does not fund) debt service. Some provide state appropriations for all state (and university) debt service through a separate capital budget not reported in the IPEDS finance survey that is earmarked for each agency. Other states are precluded by state law from issuing

debt, and use “pay-as-you-go” methods of constructing/renovating/repairing buildings. In this case, there is no debt to service. Yet other states provide appropriations for debt service through a state-wide coordinating agency. Because there are so many unique circumstances in debt service appropriations, the only way to be consistent is to exclude all debt service appropriations to the operating budget from the calculation of comparable funding per student.

RECOMMENDATION 7:

For each Kentucky college or university, state appropriations for debt service per full-time equivalent student should be subtracted from the comparison public funds per student.

APPENDICES

***APPENDIX A
SURVEY OF STATE FUNDING FOR
MANDATED RESEARCH AND PUBLIC
SERVICE PROGRAMS AND DEBT SERVICE***

SURVEY OF STATE FUNDING FOR MANDATED RESEARCH AND PUBLIC SERVICE PROGRAMS AND DEBT SERVICE

Introduction

Your institution has been identified as a peer for one or more of the Kentucky's public postsecondary colleges and universities. The Kentucky Council on Postsecondary Education, in cooperation with Kentucky's public colleges and universities and the executive and legislative branches, are working together to revise the benchmark funding model. The model is based on enrollment and financial data reported to the Integrated Postsecondary Education Data System (IPEDS). A major part of this effort is a determination of mandated research and public service activities funded by state general fund appropriations for both the Kentucky institutions and for similar institutions in other states. In addition, the Council is requesting the amount of State general funds appropriated directly to the institutions for debt service.

Research includes funds to be expended for activities specifically organized to produce non-instructional research outcomes, including Agricultural Experiment Stations; **public service** includes funds to be expended to provide non-instructional services beneficial to groups external to the institution.

For the purpose of this survey, a **mandated research or public service activity** **MUST** have an external legal mandate, through statute, resolution, or executive order (e.g., state law requiring maintenance of an arboretum on campus) and receive appropriations greater than \$25 per FTE student. Also, the activities should meet most of the following criteria:

- the activity is not integral to the “instructional” mission of the institution;
- the activity is relatively unique among institutions in your state (e.g., cooperative extension service or agriculture experiment station);
- the activity is “program-funded” or has a specific line item appropriation for carrying out
- its purposes (e.g., State Institute for Research on Exceptional Children);
- the activity could be operated by an agency other than a state university (e.g., running the state’s Natural History Museum);
- the activity is primarily funded with state general funds appropriations (do not include activities that are funded by other sources of revenue such as state contracts or grants).

For this survey, **debt service** is defined as state general funds appropriated directly to the institution’s general operating budget for servicing principal and interest on debt issued for land, equipment, or buildings.

We would greatly appreciate your assistance in completing this survey and returning it to our consultants, MGT of America, Inc., at the address listed below by **August 17, 2001**. (NOTE: Please respond "N/A" to questions not applicable to your institution). If you have any specific questions regarding the survey, please contact the person below.

Dr. Mary McKeown-Moak
Project Director
MGT of America, Inc.
502 East 11th Street, Suite 300
Austin, TX 78701
Phone: 512/476-4697 Fax: 512/476-4699
E-mail: nmoak@mgtamer.com

Please direct more general questions regarding the overall study to:

Ms. Angela S. Martin, CPA
Vice President for Finance
Kentucky Council for Postsecondary Education
1024 Capitol Center Drive, Suite 320
Frankfort, KY 40601
Phone: 502/573-1555 Fax: 502/573-1535
E-mail: AngelaS.Martin@mail.state.ky.us

We will be pleased to provide you with a copy of study results when the survey is complete. In the space below, please indicate your interest in receiving the final study results. Thank you for your help!!

Respondent Information

1. Respondent Name:
2. Respondent Institution:
3. Position/Title:
4. Office Phone Number:
5. Office Fax Number:
6. E-mail address:
7. Institution's web page URL:
8. Please check below if you want to receive a copy of the final study results.
☐ No, I don't want a copy.
☐ Yes, I would like to receive a copy

1. What were the headcount student enrollments at your institution in Fall 1998 and Fall 1999?

2. What were total state and local appropriations and tuition and fee revenues reported for FY1998-99 and FY1999-2000? (Include both restricted and unrestricted revenues.)

3. Is any portion of the state and local appropriations in the amount reported in question 2 for mandated research programs in FY1998-99 and FY1999-2000? If yes, please identify by activity.



**RESPONSES SHOULD BE CONSISTENT WITH THE DATA
YOUR INSTITUTION REPORTED TO IPEDS**

4. Is any portion of the state and local appropriations or tuition and fee revenues in question 2 above appropriated for mandated public service programs in FY1998-99 and FY1999-2000?

MANDATED PUBLIC SERVICE ACTIVITY	FY 1998-99		FY 1999-2000	
	STATE APPROPRIATI ONS	LOCAL APPROPRIATI ONS	STATE APPROPRIATI ONS	LOCAL APPROPRIATI ONS
Cooperative Extension Service	\$	\$	\$	\$
Non-credit continuing education				
Other (list)				

5. Is any portion of the state and local appropriations in the amount reported in question 2 for debt service on bonds issued for land, equipment, or buildings in FY1998-99 and FY1999-2000? Report **total amount** appropriated to the institution.

	FY 1998-99	FY 1999 - 2000
State Appropriations	\$	\$
Local Appropriations		

6. Comments?

THANK YOU FOR YOUR ASSISTANCE WITH THIS STUDY!